PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 519 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2011

COMPRISING PERIOD
22 November 2010 – 3 December 2010

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 519**

TENTH VOLUME OF SESSION 2010-2011

House of Commons

Monday 22 November 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Pensions

1. **Paul Uppal** (Wolverhampton South West) (Con): What recent assessment he has made of the effect of trends in longevity on his Department's expenditure on pensions. [25106]

The Minister of State, Department for Work and Pensions (Steve Webb): Between 2004 and 2008, our estimates of life expectancy at pension age rose by more than a year. For those who reach pension age this year alone, that will add £6.5 billion to their expected pensions over their lifetimes.

Paul Uppal: Does not increasing longevity make even more urgent the Department's plans to get more people saving for their old age?

Steve Webb: My hon. Friend is absolutely right. We have taken forward plans introduced by the previous Government for automatic enrolment into workplace pensions, so that as people are working for longer, they can still retire on decent pensions, through more workplace saving.

Tony Lloyd (Manchester Central) (Lab): Everybody recognises that increasing age has an impact on the funding of pension schemes, but does the Minister accept that there is a huge difference between a population such as the one that I represent, in which life expectancy is some 10 years less for males and roughly the same for women, and those populations with the highest life expectancy in the country? Simply increasing the state retirement age has an unfair impact on communities such as mine.

Steve Webb: The hon. Gentleman raises an important point, and it is one that we are aware of. However, he will be encouraged to learn that in the past decade, life expectancy for both manual workers and non-manual workers, for example, has risen by two years for men. Although there are still differences, both groups are seeing improvements in life expectancy.

Universal Credit

2. **Mrs Anne McGuire** (Stirling) (Lab): What steps his Department plans to take to assist employers to provide real-time pay data for universal credit computations. [25107]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): Her Majesty's Revenue and Customs is continuing to consult with employers on how best to collect real-time pay information. I should stress that the information required for the universal credit is already being collected by HMRC as part of its reforms to the pay-as-you-earn system, which are on track. The adoption of the new real-time information system, for the benefit of employers, universal credit customers and taxpayers, is already well on track.

Mrs McGuire: Can the Secretary of State tell the House what proportion of the £2 billion allocated in the comprehensive spending review to implement the universal credit will go to support HMRC's IT project, and what proportion will go as compensation, so as to avoid losers in the transition to the new universal benefit?

Mr Duncan Smith: The right hon. Lady will forgive me if I do not give her the absolute details. We will be publishing the details shortly—well, soon, anyway—but I can tell her now that she can expect to see a significant amount, as a proportion, for the computer change. All this is covered by the money already granted through the settlement in the spending review—more than £2 billion—which will go to protect those who would have nominally been losers and to implement all the necessary IT changes, and to cover every other detail too.

Mr Julian Brazier (Canterbury) (Con): I welcome my right hon. Friend's earlier answer. In the light of several terrible cases in my constituency, does he agree that it is extraordinary that the whole system of credits was introduced at all without a proper real-time information system?

Mr Duncan Smith: The PAYE system is ultimately the responsibility of my colleagues at HMRC, although we will obviously require an element of that to implement the change. That change will make life considerably easier for us in delivering those benefits without the normal mistakes that are made—mistakes that have caused overpayments to people, followed by attempts to claw them back that cause hardship for many people on low incomes. I believe that in due course the change will deliver a net benefit to everybody.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): Under the Secretary of State's proposals, councils are to use the real-time data to calculate entitlement to council tax benefit, although the entitlements will vary according to each local authority. What is his estimate of the cost to the Department for Work and Pensions of supporting councils in creating their own mini-benefits system in each locality?

Mr Duncan Smith: I will give those details soon. I will not give them today, but I can say that we have already been working on the issue. We believe that, as things stand right now, we will manage the cost within our present budgets—it will not require anything extra for us. Of course, as the right hon. Gentleman said, it forms a challenge to us—I accept that—but localising elements of benefits is important to local people, and councils have very much wanted to do this. I will definitely give him the figures for that in due course, but we believe that we will be able to manage it, and I am more than happy to discuss that with him.

Work Programme

3. **Hazel Blears** (Salford and Eccles) (Lab): What steps he is taking to encourage social enterprises to become providers under the Work programme. [25109]

The Minister of State, Department for Work and Pensions (Chris Grayling): As the right hon. Lady knows, involving the specialist skills of the voluntary and social enterprise sectors in delivering the Work programme is extremely important, particularly where they have expertise in helping the hardest-to-help groups. Across the summer, we held a series of consultation events across the country, and we have had meetings through some of the professional organisations that represent different elements of the voluntary sector. The Minister for Welfare Reform—Lord Freud—and I have held meetings in the City to try to encourage financiers to support the voluntary sector in its approaches to the Work programme. I cannot give the right hon. Lady information about the specifics of the process today, because we will be publishing more details in due course, but I can assure her that we are keen to keep those organisations present.

Hazel Blears: I am grateful for the Minister's reply. He knows that many social enterprises, such as Work Solutions, which does a fantastic job in the Ordsall area of Salford to get people back into work, have very tight margins, and often struggle with cash flow. If the national system is to be about payment by results, what measures will he take to ensure that small organisations, which are often without a financial buffer, can survive within the system and provide the specialist services that only they can provide?

Chris Grayling: We have introduced the Merlin standard, a new code of conduct for suppliers to the Department for Work and Pensions, which will apply to the prime contractors for the Work programme. They will be obliged to do the right thing to support their subcontractors appropriately financially. If they fail to do so, and treat their subcontractors financially inappropriately, they could lose their contracts. The system has just won an award for its role across Whitehall—there is potential for it to be used elsewhere in Whitehall—as best practice for dealing with small subcontractors. We must protect them, because they have a huge role to play.

Paul Maynard (Blackpool North and Cleveleys) (Con): Will the Minister join me in congratulating Progress Recruitment on its work in Blackpool? It is a social enterprise that works with many of the hardest-to-reach people in my constituency to get them back to work. Will he do all he can to encourage local government, when it again considers its service provision, to look at whether it can spin off organisations such as Progress Recruitment as social enterprises, as part of reconceptualising that service provision?

Chris Grayling: I certainly praise the work that has been done in Blackpool, and I praise my hon. Friend's work in supporting that activity. Not many people understand the scale of the social challenge in Blackpool, and the work that is done by organisations such as the one in his constituency is extremely important. I very much hope that the framework that we are creating for the Work programme will give local authorities and local organisations the scope to work alongside providers to deliver local solutions to some of the problems. I have no doubt that social enterprise should be and will be part of that. Local authorities can help to make that happen.

Mr Frank Field (Birkenhead) (Lab): Does the Minister accept that there is considerable support on the Labour Benches for the point that my right hon. Friend the Member for Salford and Eccles (Hazel Blears) raised? Does he accept that if we are to protect social enterprises, and if they are to play a greater part in welfare reform, that will require almost a total change in attitude from the big providers? Birkenhead had one of the best organisations—A&P Group—but it did not win the

larger contract, and did not want to, and the large provider had no interest in making sure it survived. It was a huge loss to young people in the area who, until then, had had a Rolls-Royce service.

Chris Grayling: I am grateful to the right hon. Gentleman for highlighting such an important point. I have been very clear to people who are bidding for the Work programme that we expect them to demonstrate their ability to assemble a consortium or organisations with the specialist skills to help the hard-to-help groups. Many of those organisations are in the voluntary sector or the social enterprise sectors. If they do not demonstrate that ability and if they do not have those networks, they will not get the contracts. It is as simple as that.

Child Maintenance

4. **Mrs Helen Grant** (Maidstone and The Weald) (Con): What plans he has to increase parental responsibility for child maintenance. [25110]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The coalition Government are determined to ensure that all parents meet their financial responsibility for their children. At present, around 50% of separated parents have no maintenance arrangements in place. We are working with colleagues in the Department for Education, the Ministry of Justice and the voluntary sector to ensure that we deliver a seamless approach to supporting parents pre- and post-separation.

Mrs Grant: What plans does the Minister have to improve the Child Support Agency?

Maria Miller: First, I pay tribute to my hon. Friend's immeasurable work, particularly with the Croydon family justice centre. She is an expert in such matters, and raises an important matter. The Child Support Agency's performance is improving, with more children benefiting from more money collected. However, the present system does not do enough to provide effective child maintenance support as soon as possible after parental separation, nor does it do enough to promote positive relationships between parents. Making those improvements to the system is in the best interests of children, as is ensuring that we have more enduring financial support for them.

Disability Living Allowance

5. **Mr Frank Roy** (Motherwell and Wishaw) (Lab): What recent discussions his Department has had with disability organisations on proposals to remove the mobility component of the disability living allowance from residents in publicly funded care homes. [25111]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I have had discussions with a number of disability organisations on the proposals to modify eligibility for DLA following the Chancellor's spending review announcements. Specific spending review measures, along with those in other Departments across Government, have not been subject to public consultation, but they will of course be subject to full parliamentary scrutiny.

Mr Roy: Of all the proposals on welfare reform, this is absolutely the most brutal and cruel. Disabled people in publicly funded care homes deserve much better than is being offered at the moment. What will the Minister do when she has to meet a disabled person in one of those homes face to face, and how will she explain why she is taking away their much-needed lifeline to the outside world?

Maria Miller: I think that the hon. Gentleman is referring to the measure on mobility. Local authorities, working with care homes, have a clear duty to promote, where practical, independence, participation and community involvement for every single disabled person living in such care homes. The proposed change to DLA eligibility should not leave disabled people more isolated. Importantly, we have to ensure that there is clarity in funding streams as we move towards personalisation, which is something that almost every disabled person welcomes.

Duncan Hames (Chippenham) (LD): Constituents of mine in Atworth have come to see me about their 30-year-old daughter who suffers from cerebral palsy and will be affected by the changes. In her care home, different residents have very different mobility needs to maintain their independence, as well as experiencing different challenges. Can we expect care homes to meet those needs in an individually tailored way?

Maria Miller: My hon. Friend raises an important point. It is important that we have personalised care for disabled people. Every disabled person has different needs and, working with colleagues in the Department for Communities and Local Government and the Department of Health, we will ensure that the correct level of support is being delivered locally.

Miss Anne Begg (Aberdeen South) (Lab): Will the Minister take this opportunity to clarify exactly who will lose the mobility element of their DLA? There is quite a lot going around the blogosphere about who might be affected. Will the changes affect children in residential schools? Will they affect those in residential care who are self-funders as well as those who are funded by the local authority? Will there be exemptions, or will everyone in residential care lose the mobility element of their DLA?

Maria Miller: I thank the hon. Lady for her question. This does not affect self-funders, and we will be making clearer as we get towards the Bill exactly how the measure will affect all other groups. I reiterate that it is important to get clarity in the funding streams as we move towards personalisation, which is overwhelmingly welcomed by disabled people.

Richard Fuller (Bedford) (Con): My hon. Friend makes a good point about the need for clarity and clarification as we move towards the universal benefit, but we must also consider the issue of decency. The measures that she is taking are having deleterious effects on the well-being of people in my constituency. Many of the families concerned have looked after their children for many years outside care. Will she take the opportunity to meet me so that we can discuss some of these constituency issues?

Maria Miller: I thank my hon. Friend for his question, and I am very happy to meet him to discuss this matter further. I would draw hon. Members' attention to the fact that colleagues in the Department of Health have put £2 billion into social care, which will be available to ensure that local authorities and social care providers are able to meet people's needs.

Margaret Curran (Glasgow East) (Lab): The spending review said that this measure would apply only

"where such costs are already met from public funds."

Perhaps the Minister will take the opportunity to reassert that this afternoon. However, Scope and other leading disability organisations have established that removing the mobility component will hit thousands of disabled people. They have described the change as "callous", and called on the Government to think again. Will the Government listen to those organisations, or do they believe—and can they guarantee—that there will be "no losers" as a result of this policy?

Maria Miller: I thank the hon. Lady for her question. She will obviously realise that one reason for having to look at these sorts of measures is that we were left an immense fiscal deficit by the previous Administration. I can confirm to her today that we will, of course, listen to the concerns and thoughts of voluntary organisations and disabled people—indeed, I am already doing so—and that the measure we are putting in place will ensure that the existing duties of care homes and local authorities, which are to ensure that disabled people are able to live independent lives, will be fully enforced so that the correct level of support can be delivered locally.

Comprehensive Spending Review (Barnsley East)

6. **Michael Dugher** (Barnsley East) (Lab): What estimate he has made of the likely effects on his Department's expenditure on out-of-work benefit payments to residents of Barnsley East constituency of implementation of the changes announced in the comprehensive spending review. [25112]

The Minister of State, Department for Work and Pensions (Steve Webb): Although estimates of expenditure savings are not available at constituency level, the impact of the changes has been published at the UK-wide level on the website of Her Majesty's Treasury.

Michael Dugher: Is the Minister aware of last week's report by Professor Steve Fothergill of Sheffield Hallam university, which showed that in areas like my own, private sector employment is unlikely to rise significantly in the next few years? Is it not the case that unemployment will increase, as will benefit payments, in areas like my own, because of the ending of the future jobs fund, the ending of the working neighbourhoods fund and the massive cuts to the local authority, with consequent effects on local employment?

Steve Webb: The hon. Gentleman is right to stress the importance of private sector employment, which is why I looked at the situation in Barnsley East. I found that the year to March 2010 saw an increase in employment of more than 3,000. I therefore think that it is vital not to talk down economic growth, because the private sector is creating jobs, including in Barnsley East.

Mobility Support

7. **Jenny Willott** (Cardiff Central) (LD): What discussions he has had with representatives of the social care sector on the cost of mobility support for disabled people. [25113]

The Minister of State, Department for Work and Pensions (Steve Webb): The Government remain committed to involving disabled people when developing their policies, and I can tell my hon. Friend that we discussed the care homes measure with a number of disability organisations at the Department for Work and Pensions policy and strategy forum on 16 November.

Jenny Willott: We have already heard a number of concerns raised today about these particular proposals. I understand the Government's rationale, but what consideration has been given to ensuring that residents in care homes who currently receive mobility disability living allowance will still be able to buy Motability cars, and scooters where appropriate, so that they can remain as independent as possible?

Steve Webb: My hon. Friend has raised an important facet of these changes, and I can assure her that the Department is already in discussions with Motability about how it might be handled.

Ms Margaret Ritchie (South Down) (SDLP): Have the proposals for disability living allowance been subject to an equality impact assessment, and if so, what has been the result?

Steve Webb: As the hon. Lady may be aware, when elements are included in primary legislation, statutory equality impact assessments are published at the time that the legislation is published—and will be available to the House.

Work Programme

8. **Henry Smith** (Crawley) (Con): What recent progress his Department has made on delivering its Work programme. [25114]

13. **Richard Harrington** (Watford) (Con): What recent progress his Department has made on delivering its Work programme. [25119]

The Minister of State, Department for Work and Pensions (Chris Grayling): The commercial delivery of the Work programme is on track. Before the end of the month, we will be releasing a list of those organisations that have successfully bid to be part of the framework for employment-related support services. Shortly after that, in early December, we will publish the full invitation to tender for the Work programme. We are still on course to launch the programme next summer.

Henry Smith: Regrettably, my constituency has one of the worst records for its over-50 unemployed people ever getting back into work. I would be interested to hear some specific advice about what the Government are planning for that age group.

Chris Grayling: Of course, this was one of the great failings of the Labour Government, who failed to understand the challenge that older workers faced. Their employment programme offered none of the personalised support that is necessary to deal with the specific challenges that my hon. Friend mentions. What we will do through the Work programme is offer personalised support by paying providers by results; they will have a full incentive to do the right thing by older workers and ensure they get into work.

Richard Harrington: Last week, Leavesden studio in my constituency was given a £125 million investment by Warner Bros. Will my right hon. Friend assure me that the Government's new Work programme will help local unemployed people to get off the register and get jobs in this fantastic opportunity?

Chris Grayling: That is a great example of new private sector investment in the United Kingdom, which proves that the private sector can indeed create the jobs that we all want to see for the future. I congratulate my hon. Friend and his constituents on the work that they have done in bringing the investment to the United Kingdom. I hope that the local provider for the Work programme will forge a close partnership with Warner Bros to ensure that it delivers people with the right mix of skills and capabilities to fill vacancies, and I hope that my hon. Friend will help to facilitate that partnership.

Anas Sarwar (Glasgow Central) (Lab): In the last four months alone, an employment agency in my constituency has helped more than 300 long-term jobseeker's allowance claimants and single parents into work under the employment zone programme. Four such agencies operate in the constituency, but long-term JSA claimants and single parents will no longer be able to apply for that extra support after 31 December as a result of the transition to the Work programme. What specialist support will the Minister give thousands of my constituents, and thousands of others throughout the country, to help them back into wok?

Chris Grayling: We will provide enhanced support for people in that position through Jobcentre Plus for a short period, but I hope and expect that providers who are already in the framework and who win Work programme contracts will be able to take up some of the challenges that those people face and help them before the formal launch of the programme in the summer.

Stephen Timms (East Ham) (Lab): There are some good ideas in the Work programme, and all of them were in the last Government's flexible new deal. What proportion of the payment to be handed over to a Work programme provider in respect of a jobseeker will be handed over when that person obtains work, and how long will he or she need to remain in work before the whole payment is handed over?

Chris Grayling: I will publish the full details of the contractual arrangements for the Work programme in a few days' time, but I can tell the right hon. Gentleman that we will not be paying up front as the flexible new deal did. Last year, the flexible new deal paid providers £500 million for 16,000 starts. That is £30,000 per job start, and in my opinion it was an inefficient use of public money. Even as the programme becomes more mature, the previous service fee arrangements would still mean a huge up-front cost. We will do things differently: we will pay providers when they succeed, and not before they have done so.

Disabled People (Employment)

9. **Mr Robert Buckland** (South Swindon) (Con): What steps he is taking to help disabled people into employment. [25115]

10. **Jackie Doyle-Price** (Thurrock) (Con): What steps he is taking to help disabled people into employment. [25116]

15. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What steps he is taking to help disabled people into employment. [25122]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The Government are committed to increasing the employment rate for disabled people by giving them the help that they need to follow fulfilling, mainstream careers whenever possible. The Work programme will provide more personalised back-to-work support for unemployed people, including disabled people, from next year. Work Choice, which began on 15 October, provides specialised support for disabled people who face more complex barriers, and the access to work programme provides financial help with reasonable adjustments for the workplace above and beyond what the employer could reasonably provide.

Mr Buckland: Does the Minister agree that for far too many disabled young people, both in my constituency and elsewhere, the transition into adulthood and the jobs market can be very challenging? What steps are her Department taking to ease the process into adulthood and jobs?

Maria Miller: The transition from education to work can be difficult for all young people, but particularly for disabled people. I am impressed by the work that has already been done by employers whom I have visited in recent months, who are already focusing on the importance of disabled young people in their work forces, but the specific support that the Government have provided through Work Choice and the Work programme will help—particularly the differential pricing that is available through the Work programme, which will enable more organisations to work with disabled young people to get them into work.

Jackie Doyle-Price: My constituent Nigel Freeman has suffered a very aggressive bout of cancer, and his best efforts to re-enter the world of work have been frustrated by the operation of the benefits system. Can my hon. Friend assure me that she will end the "one size fits all" approach to health conditions, so that people no longer find themselves trapped on benefits?

Maria Miller: My hon. Friend has raised a subject about which we are all eager to hear—people who are committed to returning to work despite very difficult personal circumstances. Under the Work programme, we shall be able to provide more personal and individual back-to-work support for those who face more significant barriers. We want to provide a system of Government support that treats people in a dignified way and assesses them for what they can do, not for what they cannot.

Eric Ollerenshaw: I welcome Government moves to help those who can work to get back into work and off incapacity benefit, but how will the Minister use the expertise of existing disability organisations such as One Voice in my constituency, which is run by the disabled for the disabled, so that we can begin to end the present waste of talent?

Maria Miller: Local user organisations have a vital role to play in providing that sort of grass-roots support, and the Shaw Trust and other organisations are already bringing their expertise into play in Work Choice. Several of them will also be involved in making the Work programme available next year.

Mr David Lammy (Tottenham) (Lab): May I draw the Minister's attention to the case of Mr Spivack in my constituency, who is autistic and relies on his mobility scooter? Is it not fatuous of her to suggest that she is keen to help the disabled into employment if she is withdrawing the means for them to get to work?

Maria Miller: I can assure the right hon. Gentleman that the support his constituent will need in order to get to work will be available through either his disability living allowance or access to work. There are clear opportunities for his constituent to get the support he needs.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): How do the Government believe that removing the mobility component of DLA for people living in residential care homes helps disabled people back into work, or enables disabled people who—like a number of my constituents who came to see me in my surgery last week—currently depend on their mobility allowance to get to and from work, to stay in work?

Maria Miller: The hon. Lady is right to be concerned that constituents of hers should be able to get to work, and that is why we have support in place for those not in residential care through DLA and also through access to work. That is an important programme that helps many thousands of people get into employment, and we will be supporting more people into employment through access to work this year than last year.

Clive Efford (Eltham) (Lab): The Government have stated their intention to reduce the number of people on incapacity benefit in order to reduce the welfare bill, but some of us were concerned that the tests the previous Government applied for incapacity benefit were already very strict. What checks and balances will the Minister put in place to ensure that people with severe disability are not impoverished by stricter guidelines for staff conducting assessments of those on incapacity benefit?

Maria Miller: Obviously, this is a situation that we inherited, and my right hon. Friend the Secretary of State will soon bring forward proposals to address just the sort of issue the hon. Gentleman raises. I am very aware of the fact that we need to make sure we have an assessment process that identifies people's real needs for support, and I know that my right hon. Friend is committed to that too.

Work Capability Assessment

11. **Tracey Crouch** (Chatham and Aylesford) (Con): what recent progress has been made on the work capability assessment independent review led by Professor Malcolm Harrington. [25117]

The Minister of State, Department for Work and Pensions (Chris Grayling): Professor Harrington will publish his report on the work capability assessment tomorrow. He will be available to take questions and I hope Members will come forward and put any issues and concerns to him, and indeed to me, during the course of the day.

Tracey Crouch: I thank the Minister for that reply. Can he assure the House that those who have varying support needs because they have fluctuating conditions will be considered accordingly during the assessment process?

Chris Grayling: I am very happy to give my hon. Friend that assurance. This issue—along with that of people with mental health issues—has been of paramount importance to me, and it is one of the subjects to which I asked Professor Harrington to pay the closest attention. I hope my hon. Friend will see tomorrow that he has recommended a number of measures that will help in that respect, but I can also assure her that we will continue to review this issue. We will continue to study the process as it unfolds, and we will make further improvements as and when necessary.

Rachel Reeves (Leeds West) (Lab): I thank the Minister for that answer, which we welcome. He knows that there is support from both sides of the House for Professor Harrington's review and Labour will support the Government in taking forward meaningful reform, particularly in identifying mental health problems such as depression and schizophrenia. What assurances will the Minister give the House that reforms to the work capability assessment will better support people with mental health conditions get back to work?

Chris Grayling: One of the things I made sure to do when we set up the review was invite the chief executive of Mind to take part in one of the support groups for Professor Harrington. That input has been hugely valuable. I have also invited the mental health charities to make recommendations about possible changes to the descriptors, which might also help enhance the process. They are due to respond shortly. We will make sensible changes as and when we can. I intend to brief the hon. Lady and her colleagues about the contents of the Harrington review tomorrow morning, and perhaps we can talk briefly behind the Speaker's Chair about how best to arrange that. I want them to be part of the process, and I am very happy to take suggestions from Opposition Members as well. As the hon. Lady rightly says, this is a cross-party issue. We have to get it right. It is in all our interests that we get it right, and I think we share the aspiration that this process should be fair and firm.

Universal Credit

12. **Karen Bradley** (Staffordshire Moorlands) (Con): What assessment he has made of the effect of the proposed universal credit on work incentives. [25118]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): We believe that universal credit will make work pay. We have done some assessment and we can announce that we believe we should reduce by 1.3 million the number of workless households facing a participation tax rate of more than 70%. We also believe that we will improve earnings incentives for some 700,000 people and that we could reduce the number of workless households by about 300,000.

Karen Bradley: I thank the Secretary of State for that response. Caudwell Children is a charity that has significant experience in helping the parents of disabled children back into work. Could he give some assurances as to how the universal credit will make that process easier?

Mr Duncan Smith: I hope and believe that if we implement universal credit correctly, it should allow people with caring responsibilities to meet those responsibilities with greater flexibility in the number of hours they can work. At the moment, it is very difficult for many of them to work the sort of hours they need to work without damaging their ability to fulfil their caring responsibilities. We think that flexibility would be most effective for them and, strangely enough, for lone parents.

Ms Karen Buck (Westminster North) (Lab): The universal credit has the desirable and indeed the shared objective of reducing the rate at which tax and benefits are withdrawn as earnings rise. But for every pound that will go into the universal credit, £8 is being removed as a result of the June Budget and the comprehensive spending review. When the Secretary of State says that nobody will be worse off, is he making the comparison with the period before or the period after those cuts come into effect?

Mr Duncan Smith: What I said originally was that we believe that from the position we inherited, the implementation of the universal credit will have a net beneficial effect for the poorest people in this country who are trying to achieve work. So it is not just a case of people not being worse off; we believe that people will be far better off than they were when the hon. Lady's Government left us.

Benefits Regime (Gender Impact Assessments)

14. **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): Whether his Department plans to publish a gender impact assessment of the changes to be made to the benefits regime as a result of the comprehensive spending review. [25120]

The Minister of State, Department for Work and Pensions (Chris Grayling): The Department for Work and Pensions assesses the equality impacts of any new policies or changes to existing policies and practice. In line with that commitment to transparency, equality impact assessments are published when they are available, and gender impacts are included as part of those documents.

Cathy Jamieson: I thank the Minister for that answer. What assessment are the Government making of the needs of vulnerable women, particularly those who receive housing benefit and are aged between 25 and 35? How will the Government ensure that their needs are met and, in particular, that if they have disabilities, they do not end up inappropriately in shared accommodation?

Chris Grayling: As the hon. Lady will know, exemptions are already in place for the most vulnerable people, and those will continue. The package of reforms set out in the spending review, particularly the introduction of the universal credit, will make a huge difference to women on some of the lowest incomes, particularly lone parents seeking to get back into work. The credit will make that journey much easier and mean that they are better off going back to work than they would otherwise have been.

Universal Credit

16. **Stephen Hammond** (Wimbledon) (Con): What assessment he has made of the likely contribution of the proposed universal credit to his Department's objective of encouraging people to work. [25123]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): I refer my hon. Friend to the answer I just gave.

Stephen Hammond: I listened carefully to my right hon. Friend's previous answer. Given the benefits for so many of the introduction of the universal credit, what chance is there that the Government might be able to accelerate its introduction beyond the 2017 time scale currently announced?

Mr Duncan Smith: I will resist the temptation to accelerate anything. I simply say to my hon. Friend that the plan we have put in place allows us to spend the right amount of time making sure that we are integrating those on the current benefits correctly and that we are not making any mistakes. We do not plan to accelerate that, but clearly we hope that this process will go smoothly—we believe it will. That is the most important thing.

Graham Jones (Hyndburn) (Lab): Can the Secretary of State give an estimate as to how many parents with young children will return to work under his universal credit, and can he explain the incentives?

Mr Duncan Smith: We believe that we will lift some 350,000 people in that category out of the poverty that we inherited. I am not going to give any significant answer to the second part of the hon. Gentleman's question, simply because I am happy to write to him in due course and give him the figures. His party says it accepts and supports this process, and the reality is that the universal credit has the biggest effect on the poorest people trying to get back into work. That surely has to be welcomed by him and the whole of his party.

Work Programme

17. **Jo Swinson** (East Dunbartonshire) (LD): What assessment he has made of the likely effects of the Work programme on unemployed people who volunteer. [25124]

The Minister of State, Department for Work and Pensions (Chris Grayling): My message to my hon. Friend would be that we are doing everything we can to promote volunteering for jobseekers, both before they enter the Work programme and, once the programme is in place, after they enter it. We have set out plans to allow jobseekers to do up to eight weeks' work experience and I think that that gives them an important opportunity to take a step into the workplace that they would not otherwise have taken.

Jo Swinson: I thank the Minister for that reply. Many people who are out of work or who have fluctuating medical conditions already undertake part-time voluntary work but that was not previously recognised by Jobcentre Plus officials as part of the flexible new deal. What assurances can he give me that those people, who are already participating in the big society, will have their voluntary work positively recognised under the new Work programme?

Chris Grayling: I see volunteering as extremely important, particularly in helping those who have been on sickness benefits or incapacity benefit in the long term to make the step into work. I can assure my hon. Friend that we will give Work programme providers maximum flexibility to use volunteering as one of many vehicles to help people get into employment.

Housing Benefit

18. **Mr David Ward** (Bradford East) (LD): What assessment he has made of the likely effects of his proposed reductions in housing benefit entitlement on jobseeker's allowance claimants who have been unable to find work for more than 12 months. [25125]

The Minister of State, Department for Work and Pensions (Steve Webb): The detailed design of the measure is still being developed and we are carefully considering its impact. We will publish a full impact assessment to accompany the relevant legislation when it is introduced in Parliament.

Mr Ward: The proposal is obviously designed as a work incentive measure, but it could be argued that any claimant affected will represent a failure of the measure to get people back into work. What steps is the Minister taking to ensure that anyone who is affected is genuinely unwilling to find work?

Steve Webb: My hon. Friend raises an important point. The key is to try to stop people being unemployed for 12 months. He will be aware that 90% of those who come on to JSA flow off before the end of 12 months. My right hon. Friend the Minister of State is bringing forward the Work programme, which will help the most hard-to-help groups before the end of the 12-month period to give them the maximum chance of not being in that position in the first place, which is our priority.

Glenda Jackson (Hampstead and Kilburn) (Lab): There are already single parents in my constituency—not exclusively but in the majority female—who are experiencing serious difficulty in convincing employers that they must have flexible working to maintain their child care. What are the Government doing to ensure that employers are aware of their responsibility, given the draconian effects of the proposed reduction in JSA?

Steve Webb: The hon. Lady is right to point out the importance of a flexible jobs market. The good news is that a large proportion of the new jobs that are being created are part-time jobs that will be of particular benefit to lone parents. The Government will consult on the right to request flexible working in the coming year.

Hywel Williams (Arfon) (PC): The number of job applicants and the number of posted job vacancies varies widely from constituency to constituency and country to country. Is it fair to apply a universal rule to all claimants when their ability to comply with that rule varies so widely?

Steve Webb: The hon. Gentleman will know that Jobcentre Plus advisers already have a good deal of discretion in how they respond to individuals to reflect individual circumstances. We are keen to see that measures such as the Work programme are tailored to the individual so that they can address the particular problems that they face. If those problems involve transport or a lack of very local job vacancies, they can be addressed through the Work programme.

Flexible New Deal Programme

19. **Caroline Dinenage** (Gosport) (Con): What recent assessment he has made of the value for money delivered by the flexible new deal programme. [25126]

The Minister of State, Department for Work and Pensions (Chris Grayling): The flexible new deal began in October 2009. Results of its full evaluation will be published in 2012. However, the initial figures, published last week, certainly give rise to concern that it represented poor value for money and that the arrangements set out by the previous Government were extremely expensive.

Caroline Dinenage: People in my constituency are concerned about the transition to the Work programme. What assurances can the Minister give me that the Government will take measures to ensure that people are not disadvantaged during the transition period?

Chris Grayling: I can absolutely give my hon. Friend that assurance. That is a priority for me at the moment. As it becomes clear who is on the framework and who is not, it will become increasingly clear where we might have issues with the transition. In those areas where the flexible new deal will continue to run until the summer, it is not an issue, and in those areas where the flexible new deal does not exist, it is a concern. We will take urgent measures in the next few days, as we have completed work on the framework and identified the gaps, to ensure that we put in place the necessary support, probably through Jobcentre Plus, to ensure that we look after those who are affected.

Universal Credit

20. **Simon Danczuk** (Rochdale) (Lab): What effects he expects the introduction of the proposed universal credit to have on marginal deduction rates experienced by households currently in receipt of tax credits only. [25127]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): I repeat that the universal credit will benefit a large number of people, improving work incentives for some 700,000 people who will see their marginal deduction rates fall from about 96% to 76%. The specific group that the hon. Gentleman is talking about will have their withdrawal rates rise marginally, although that will be met by our guarantee that nobody will be a loser in the course of this.

Simon Danczuk: I genuinely welcome the Secretary of State's attempts to get more people incentivised and back into jobs, but does he accept that his proposals are more likely to fail because the regional development agencies that created many jobs in Rochdale and other parts of the country are to be replaced by what Lord Heseltine has called a "high-risk" regional growth fund?

Mr Duncan Smith: I do not accept that point. We recognise that it is critical to create those jobs and we expect them to be created as the economy grows. The big problem with creating jobs under the previous Government was that 70% of all the jobs created in 15 years went to people from overseas and not from the UK. The big issue for us is getting people in the UK ready and able to do that work, which the Minister with responsibility for employment, the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), is busy doing through the Work programme.

Andrew Bridgen (North West Leicestershire) (Con): The Opposition seem convinced that the introduction of the universal credit will be dogged by IT difficulties. Does that not reflect their lamentable experience in this area? What reassurance can the Secretary of State give us that we will succeed where the previous Government failed so badly?

Mr Duncan Smith: The previous Government had problems with IT development, as did lots of Governments—both sides accept that. To be fair, I have spoken to the shadow Minister, the right hon. Member for East Ham (Stephen Timms), who has been very positive about general developments. In his time, the development of the employment and support allowance computer was a very positive development, for which I compliment him. That is a very good example of the scale of computer development that we can undertake with the universal credit.

Topical Questions

T1. [25131] **Nicky Morgan** (Loughborough) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): We are busy working very hard on employment programmes. I draw my hon. Friend's attention to the very positive employment figures from last week, which indicate that the Government's direction of travel places employment growth at the heart of all we do.

Nicky Morgan: I thank the Secretary of State for his answer and I note the earlier comment by the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb), that economic growth should not be talked down and that jobs are being created. How are the providers of the Work programme going to work with employers to identify those jobs and make sure that people are placed in private sector jobs as we go forward?

Mr Duncan Smith: My hon. Friend is absolutely right. The difference between this Government and the previous Government will be that the Work programme—the most comprehensive, integrated work programme in existence, certainly, since the war—will make a huge effort to get those who have been out of work for the longest periods ready for work so that they actually get to work. As the economy grows, those jobs will be greater in number. A key point that I made earlier is vital to her question: for all the growth under the previous Government, prior to the mistakes they made that brought us the recession, most of those jobs went to people from overseas because British people simply were not capable of doing that work. That has to change.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): May I take the Secretary of State back to his claim that job creation will be vital and ask him specifically about what the Office for Budget Responsibility has stated will be the estimated saving from threatening the long-term unemployed, about whom he has just spoken, with the 10% figure? Do the OBR's estimates on how much that policy will save include an expectation that it will move more people into work, or is no significant saving in terms of work incentives expected? Do the calculations simply show OBR figures for the number of people who are going to continue with no job but less money? What do the OBR figures indicate?

Mr Duncan Smith: The OBR figures show two things: significant growth during the course of this Parliament and significant growth in private sector employment. Our changes in housing benefit will get rid of a disincentive to taking those jobs, which a significant number of people failed to take under the previous Government, who failed to do anything about it.

T2. [25132] **Mark Lancaster** (Milton Keynes North) (Con): My constituent Rachel Clark, who has learning difficulties, enjoys working as a volunteer at a coffee shop run by the charity MacIntyre. Until recently, she received a therapeutic allowance but unfortunately that practice has had to stop for fears that it is in breach of national minimum wage legislation. Given that all parties were happy with the arrangement and that Rachel is happy to carry on as an unpaid volunteer, can we look into this grey area of the law?

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I thank my hon. Friend for his question. We can be clear that individuals such as his constituent are able to undertake volunteering opportunities. Indeed, that is something we have been encouraging as part of the Olympics and Paralympics, and it does not cause any problems if they are in receipt of state benefits.

T4. [25134] **Miss Anne Begg** (Aberdeen South) (Lab): May I ask Ministers to look again at the proposal to reduce housing benefit by 10% for people receiving

jobseeker's allowance for a year? The Minister for Housing and Local Government said this morning that people in social rented housing will be kicked out of their homes if they go into work, and under the proposal on housing benefit, people will be kicked out of their homes if they do not go into work.

Mr Duncan Smith: I always appreciate the hon. Lady's advice. We certainly keep all that under review and intend to do so all the way through until we introduce the Bill. However, having said that, there is a lot of good evidence out there to show that we have to give people some sort of incentive not to decide to refuse that work. We believe that that is one of the areas where a lot of international evidence shows that such a spur actually helps people to do that.

T5. [25135] **Karen Bradley** (Staffordshire Moorlands) (Con): What can the Secretary of State do to assure unemployed people in Staffordshire Moorlands that the Work programme will help them to find not just employment, but sustainable employment?

The Minister of State, Department for Work and Pensions (Chris Grayling): One of the key differences in the Work programme, compared to previous programmes, is that it will pay providers not simply for getting someone into work, but for supporting them while they are back in work over an extended period. That is crucial to ensuring that people do not come off benefits, stay in work for a few weeks and then return to the unemployment registers, as has so often happened in the past.

T9. [25139] **Mr William Bain** (Glasgow North East) (Lab): Is the Minister aware that his own Department's statistics show that the impact of restricting local housing allowance to the 30th percentile in Glasgow is that 92% of recipients in one-bedroom properties will lose out by, on average, £7 per week? The Glasgow Housing Association told me on Friday that that is likely to lead to higher levels of rent arrears and lower levels of available investment for its properties. Does not that show how unfair and badly designed the proposals are?

The Minister of State, Department for Work and Pensions (Steve Webb): I can only agree entirely with the hon. Gentleman on the manifesto on which he stood for election, which stated that we have to cap the rents that we are paying. His analysis assumes a static situation in which rents do not change. The Department puts more than £21 billion into the local housing allowance. If we changed the rules for that, we would change the market. We are trying to put pressure on rents so that they will go down, which will improve the situation.

T6. [25136] **Guy Opperman** (Hexham) (Con): The whole House will welcome the news that unemployment is on the decline and look forward to the introduction of the Government's Work programme. However, my right hon. Friend will be aware of the particular issues facing the north-east. What steps is he taking to ensure that there is support in the meantime for those seeking employment in the region?

Chris Grayling: My hon. Friend will be aware that I am always extremely concerned about the employment situation in the north-east. I was therefore extremely pleased this summer to see an increase in private sector employment of 17,000 in the region. I was disappointed, however, that the number of people claiming jobseeker's allowance barely changed, which simply underlined for me the need for the Work programme to deliver real change in that area. However, the introduction of the new enterprise allowance and some of the other measures that we are taking to support small businesses, as set out in the Budget by my right hon. Friend the Chancellor of the Exchequer, will help to continue the process of job creation in the private sector in the north-east, which is what we all want.

Malcolm Wicks (Croydon North) (Lab): As the Secretary of State and his team develop their longer-term thinking on social security, including for state pensions, what emphasis and importance will they place on the contributory principle?

Steve Webb: I am grateful to the right hon. Gentleman for his question. We believe that a link between what people put into the system and what they get out of it is important, and we are looking at ways of modernising that principle. He will know that the contributory principle, as it currently exists, was invented in the 1940s when the assumption was that men worked and women stayed at home. We live in a modern world and need to modernise the contributory principle.

T7. [25137] **Julian Smith** (Skipton and Ripon) (Con): What measures will be contained in the Work programme to ensure that the unemployed in rural areas get the help they need?

Chris Grayling: One of the benefits of working with smaller organisations as well as the larger prime contractors is that we can get the input of specialist organisations with expert knowledge of the rural community and the rural jobs market. I believe that the contracting structure we have set up maximises the likelihood of prime contractors identifying the right organisations to deliver support in rural areas.

Fiona O'Donnell (East Lothian) (Lab): My constituent, Mr Edwards, is in receipt of the independent living fund, which empowers him to buy services to meet his needs. Uncertainty over the future of the fund is causing him and his family great concern. When will the Government end that uncertainty?

Maria Miller: As the hon. Lady knows, the uncertainty is a result of the previous Administration not having correctly financed the independent living fund. That led to the trustees of the fund having to close it to new applicants. We have already undertaken an informal consultation about the future of the fund, and will shortly come forward with a formal consultation. My overwhelming requirement will be to make sure that existing recipients continue to be well supported.

T8. [25138] **Richard Ottaway** (Croydon South) (Con): Will the Minister confirm that barriers to employment vary from one part of the country to another, that he has abandoned the one-size-fits-all policy of the previous Government, and that personalised help is being given to people seeking to get back into the employment market in accordance with their needs?

Chris Grayling: I can absolutely give my hon. Friend that assurance. It is particularly true for areas of the country that have high levels of incapacity benefit dependency. For the first time, we will be attempting to provide real support to people who have been on incapacity benefit long term and are found fit for work or potentially fit for work through the work capability assessment. I am convinced that the specialist support that we can bring to bear for those people will make a particular difference in those parts of the country where the problem is substantial.

Kate Green (Stretford and Urmston) (Lab): Most jobseekers will become eligible for entry into the Work programme after they have been on jobseeker's allowance for a period of 12 months. Can the Minister explain how it is sensible that at precisely the moment at which they become eligible for the extra support of the Work programme, they will see a cut in their housing benefit because of the period that they have spent on JSA?

Chris Grayling: The hon. Lady must understand that we are seeking to maximise the incentives in the system. What we inherited from the previous Administration is a system that is full of disincentives to go back to work. If we do not remove some of those disincentives, create a push to get people back into work and combine that with support to do so, we will end up with the same 13 years of failure as we saw under the previous Government.

T10. [25140] **Alun Cairns** (Vale of Glamorgan) (Con): The Barry branch of the mental health charity Mind often advocates in favour of service users at work assessment appeals, with a very high success rate. This demonstrates the difficulty in assessing people with mental health illnesses. What action is the Minister taking to ensure that they are treated fairly in the new work-capability assessment?

Chris Grayling: My hon. Friend will see tomorrow, with the publication of the Harrington review, some innovative suggestions about how we can deal with that problem. It is a very real problem. I am determined to ensure that we do everything we can to avoid people with mental health problems being wrongly diagnosed by the assessment. I pay tribute to Paul Farmer of Mind, whose input into the process has been hugely valuable.

Toby Perkins (Chesterfield) (Lab): May I bring the Minister back to the question asked by my hon. Friend the Member for Glasgow North East (Mr Bain) about the cuts to housing benefit? The cuts to local housing allowance are the same cuts that will make people in Chesterfield up to £11 a week worse off. Will the Minister confirm that that was not in the Labour party manifesto and is nothing to do with the cap? Will he set the record straight?

Steve Webb: On the contrary. The Labour party manifesto said that people who were in work should not be in worse accommodation than people who are out of work. That implies the 30th percentile change, and that is what we have implemented.

Dr John Pugh (Southport) (LD): What are the Government doing to prevent hardened drug addicts with consequent mental health issues claiming DLA in the normal way, which goes straight into their veins and up their noses? What are the Government doing to improve the situation and stop this waste of public money?

Maria Miller: As my hon. Friend knows, we are undertaking a thorough review of the assessment process concerning DLA. Those are just the sort of issues that we will be looking at in detail.

Chris Williamson (Derby North) (Lab): Does the Secretary of State accept that the Government's plans to accelerate the increase in pension age will come as a cruel blow to a whole generation of women in this country, because the financial reality of motherhood and family life makes it much harder for many women to build up a pension comparable to those of men? What provision is being made for women aged 54 to 59?

Steve Webb: I can assure the hon. Gentleman that no woman aged 59 or 58 is affected at all by the changes. However, we are equalising men's and women's state pension ages somewhat more rapidly. No one will be affected until 2016, and those who are most affected and who have the longest increase in working life will have a period beyond 2016, so they will have at least seven years' notice of the change.

Greg Mulholland (Leeds North West) (LD): I warmly welcome the long-overdue review of the work capability assessment, but does the Minister agree that there are problems after the assessment, and that the time spent going through appeals and tribunals is far too long? What steps is his Department taking to rectify that?

Chris Grayling: There are two aspects to what we are doing. First, we are seeking to improve the process not simply within the assessment itself, but before and after, in the way that individual cases are handled. I hope that that will make a difference. Secondly, my Department is working with the Ministry of Justice to ensure that we streamline and improve the appeals process, create extra capacity to deal with any appeals that result from next year's migration and have a system that works as effectively as possible.

Thomas Docherty (Dunfermline and West Fife) (Lab): The Secretary of State knows how vital Remploy and other supportive workshops are in helping people back into work. Will he outline the steps that the Government are going to take to promote that through public procurement, and will he or one of his Ministers meet me and trade union representatives to discuss the matter?

Maria Miller: The hon. Gentleman knows from the recent spending review settlement that Remploy's modernisation plan and funding are in place, and we will continue to monitor its performance against that. I have already met trade union officials about Remploy's future, and I will continue to do so as we move forward with the modernisation plan.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): I, like many other hon. Members, have been contacted by a number of constituents whose pension provision has been seriously affected by the collapse of the former Ford UK parts manufacturer, Visteon. Will the Secretary of State meet me to explore how we might best help those who have been most adversely affected?

Mr Duncan Smith: I will, indeed, and my hon. Friend must give me a date.

NATO Summit

3.31 pm

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I would like to make a statement on the NATO summit in Lisbon, which I attended at the weekend.

No one can doubt that NATO has played an absolutely critical role in preserving peace in Europe since it was founded in 1949, but the test for NATO now is whether it can meet the challenges of the present and of the future. That means real change—not just signing communiqués about change, but showing real political will to bring the necessary changes about. I believe that NATO can be just as relevant to protecting our security in the future as it has been in the past, and my interventions were focused on that future.

Effectively, there were three summits: a meeting of all the coalition countries involved in Afghanistan; a summit on the planned reform of NATO; and a NATO-Russia Council. I want to take each briefly in turn.

First, on Afghanistan, the summit with President Karzai, the UN Secretary-General and countries from across the globe represented there was a powerful visual reminder that Britain is part of an international coalition of 48 nations in Afghanistan. We are there because the Afghans are not yet capable of securing their own country from terrorists, and those terrorists threaten the security of the rest of the world. So, it is for our own national security that we help them.

At the NATO summit, each and every one of the 48 nations in the coalition reaffirmed its "enduring commitment" to the mission in Afghanistan. Britain is the second-largest contributor to that mission, with over 10,000 troops, many of them risking their lives in the most dangerous parts of the country. The arrival of additional international security assistance force troops in the south has allowed us to transfer Musa Qala and Sangin to the US Marines. That in turn has allowed us to focus our forces in central Helmand, sharing the burden more sensibly and removing the overstretch our forces have suffered since 2006. Working alongside Afghan forces, that has helped us to drive the insurgents out of population centres in central Helmand, and, as hon. Members have heard in the House from reports by my right hon. Friends, we are making good progress.

We want to transfer security responsibility for districts and provinces to Afghan control as soon as the Afghan security forces are ready, and the summit reached important conclusions about the timetable for this transition. It will begin in early 2011 and meet President Karzai's objective for the Afghan national security forces to lead and conduct security operations in all provinces by the end of 2014.

This commitment on transition is entirely consistent with the deadline we have set for the end of British combat operations in Afghanistan by 2015. By 2015, Britain will have played a huge role in the international coalition and made massive sacrifices for a better, safer and stronger Afghanistan. We will have been in Helmand, by some way the toughest part of Afghanistan, for nine years—a period almost as long as the first and second world wars combined. Last week, we lost the 100th member of our armed forces in Afghanistan this year. This is the second year running that we have reached such a tragic milestone.

The bravery and sacrifices of our forces are helping to make this country safe. But having taken such a huge share of the burden, and having performed so magnificently since 2001, I believe that the country needs to know that there is an end point to all this, so from 2015 there will not be troops in anything like the numbers there are now, and, crucially, they will not be in a combat role. That is a firm commitment and a firm deadline that we will meet.

The NATO summit also committed to a long-term relationship with the Government of Afghanistan, and Britain will be at the forefront of this commitment. Beyond the end of combat operations in 2015, we will go on having a relationship with Afghanistan based on aid, development, diplomacy, trade and, if necessary, military training and support.

On the reform of NATO, we agreed a new strategic concept to equip NATO for the security challenges of the 21st century. Just as in our new national security strategy, NATO will shift its focus and resources still further from the old, cold wars of the past to the new, unconventional threats of the future, including counter-terrorism, cyber-security, failing states and the proliferation of chemical, biological and nuclear weapons. Crucially, NATO agreed to develop a new ballistic missile defence system for Europe. This will help to protect the UK and our other European allies from the growing threat from countries such as Iran that are developing ballistic missiles. It will be in place by the end of the decade, paid for within NATO's existing resources.

Just as Britain's strategic defence and security review set out plans to make the Ministry of Defence much more commercially hard-headed in future, and to adopt a much more aggressive drive for efficiencies, so this summit agreed significant efficiencies for NATO itself. These include cutting the number of command posts from 13,000 to fewer than 9,000, reducing the number of NATO agencies from 14 to just three and ensuring that all decisions taken at this summit are funded from within NATO's existing resource plans. These changes will save Britain tens of millions of pounds and will allow NATO to focus its efforts on the front line.

There was also a discussion at the summit on co-operation between the EU and NATO. It is crazy that, because of procedural wrangling, the only security issue these two organisations can discuss when they meet is Bosnia. Everyone wants a solution to the Cyprus problem, but we simply should not allow it to go on holding up practical co-operation between the EU and NATO.

It was a very powerful sight to see countries that came together to protect themselves from the Soviet Union now sitting down and discussing sensible co-operation with Russia and with the Russian President. Although the Soviet Union broke up years ago, relations between NATO and Russia have been strained in recent years. Two years ago, missile defence for Europe caused a major split in relations with Russia, but now it is an issue on which we are actually working together.

The NATO-Russia Council also agreed practical co-operation on Afghanistan, enabling NATO to use routes through Russia to support our armed forces on

the ground and working together to develop improved helicopter capabilities for Afghan security forces.

There will remain challenges in working with Russia. President Obama and I both raised the issue of Georgia. Two years after that conflict started, it is time for Russia to abide by the ceasefire agreement and withdraw its troops from Georgian territory, but I judge it right that we do not let this and other bilateral concerns prevent us from working together where it is in our interests, so we will work with Russia on countering drug trafficking, on tackling Islamic extremism and on countering proliferation, and in the G8 and the G20. The summit also praised the courage that Presidents Obama and Medvedev have shown in agreeing a new strategic arms reduction treaty, and agreed that early ratification would be in all our interests.

In 1949, the alliance first said that "an…attack against one" is "an attack against…all." Today, the threats that we face are different, and the world is more uncertain, but NATO remains the bedrock of our collective defence. The future of this alliance is vital for our national security, and the summit was focused on that future: on securing an Afghanistan able to look after its own security; on reforming NATO for the 21st century; and on establishing co-operation with Russia on our vital security interests. Above all, I believe that this summit has shown that our alliance remains rock solid and that Britain's commitment to it is as strong as ever. I commend this statement to the House.

Edward Miliband (Doncaster North) (Lab): I thank the Prime Minister for his statement. As the main part of it focused on Afghanistan, I want to take this opportunity to pay tribute to all our troops, including the 345 who have died during the conflict. They showed the most extraordinary courage, and we honour them. I also pay tribute to the thousands who have been wounded; they cope with the most serious injuries with an extraordinary bravery and courage.

The best way we in this House can support our troops is by seeking at all times to build unity of purpose, and I am determined to do that on the issue of Afghanistan. In that context, we support the outcome of the NATO summit on Afghanistan. We strongly support the Afghan security forces taking full security responsibility in 2014, which was originally agreed at the London conference at the beginning of this year and was reiterated at the NATO summit. I also agree with the Prime Minister that his objective of ending combat operations by British troops by 2015 is right, and indeed is a logical counterpart to the plan that was set out for full security responsibility.

I do, however, have three questions to ask the Prime Minister about Afghanistan. First, as I am sure he will agree, the point is not simply to set a timetable but to ensure that it can be set successfully, so we must do all we can to improve the conditions on the ground. He mentioned the difficulties in Helmand province and said it was one of the hardest provinces to hand over to Afghan control. May I therefore ask him to tell the House what milestones he will use to track progress in the transition plan for Helmand? Clearly, key to that will be building up the Afghan army and, indeed, making it more representative. That has been a particular issue in the south, including the under-representation of the southern Pashtuns.

Secondly, the Prime Minister said after the summit that we might continue to play a training role for Afghan forces after 2015. May I ask him to say a little more about that? As he will know, the nature of training in Afghanistan is such that it often involves front-line exposure, so perhaps he will say more about whether troops may effectively be in some fighting role beyond that date.

Thirdly—I know the Prime Minister will agree with this, as well—a political settlement is clearly essential to achieving a stable Afghanistan by 2015. We warmly welcome NATO's endorsement of the Afghan-led reconciliation programme. Does he agree that that requires reconciliation with those elements of the Taliban willing to abide by Afghanistan's constitution, as well as engagement with Afghanistan's neighbours, including, of course, Iran and Pakistan? What discussions has he had with President Karzai about ensuring that that reconciliation moves forward rapidly over the next 12 months?

I turn to the other major item of discussion at the summit, the relationship between NATO and Russia. The Prime Minister is clearly right that we should seek to improve our relationship with Russia but continue to raise the concerns that he mentioned, including on Georgia. We welcome the joint work on the new missile defence system, and he is right to say that that development shows how the world has changed since the cold war, as it will involve co-operation with, rather than the isolation of, Russia.

Britain is of course a nuclear power, and in our view will remain so in a world in which others possess nuclear weapons, but that also brings responsibilities. Does the Prime Minister agree that the starting point for the discussion on nuclear weapons should be serious and committed multilateralism, with the ambitious long-term aim, originally set out by President Obama in 2009, of a world without nuclear weapons? May I not only invite the Prime Minister to give support to the new START treaty with Russia, but ask him what his position is on the aim of removing tactical nuclear weapons—essentially a cold war legacy—from continental Europe and Russia?

Finally, the "new strategic concept" for NATO, as it is called, is also to be welcomed, because it understands the new threats that the world faces. The post-war Labour Government, as the Prime Minister indicated, were a founder member of NATO, and our belief in the importance of multilateral co-operation is enhanced, not diminished. Does he agree, though, that the lesson of Afghanistan is that although NATO is a military alliance, when it comes to dealing with fragile states and preventing terrorism, it must pursue its objectives in the knowledge that military means can be successful only alongside political, civilian and humanitarian development?

I end by saying to the Prime Minister that we welcome the outcomes of the summit and will work co-operatively when he seeks to do the right thing, working through NATO for British security and international peace and stability, most importantly in Afghanistan.

The Prime Minister: I thank the right hon. Gentleman for his questions and for the way in which he put them. He is absolutely right to pay tribute to our armed forces and to mention the wounded. It is absolutely clear that people are coming back from Afghanistan with very

[The Prime Minister]

bad injuries—often they have lost one, two and, sometimes, three limbs. We must not just look after and rehabilitate them now, but be thinking now about how we are going to help these people for the rest of their lives. They want to lead extremely active lives, and so they should.

The right hon. Gentleman said that he wanted to have unity of purpose on Afghanistan. I hope that we can keep that up. I will do everything I can to try to help make that possible. It is very powerful, when we go to speak to our troops in Afghanistan, and in maintaining public support, that there is genuine bi-party consensus.

The right hon. Gentleman asks three questions; let me try to answer each of them. First, on the milestones for progress between 2011 and 2014, there are, effectively, three different things. We have to look at the build-up of the Afghan army and police, and check that that is on track. We have to look at the progress of governance in the districts and provinces of Afghanistan. We also have to ask ourselves whether what we are about to transition is genuinely irreversible. What we do not want, which is why I have avoided setting short-term deadlines, is to make a move that is then somehow reversed.

On the future training role, we have done very well to staff up the training mission—allies made a lot of commitments on that at the NATO summit. Britain has added another 320 trainers. I very much see this as training and not combat. By that stage, we will be looking at something that is much more a training mission, and not quite as much embedding as we have now.

Reconciliation is vital. Almost all insurgencies the world over have been ended by a combination of military means and a political settlement. It is the moment at which one is hitting the nail very hard in a military sense that one should be taking steps towards reconciliation. This is for the Afghans to lead. The three vital things are that anyone who wants to reconcile must break with al-Qaeda, must renounce violence and must accept the broad outlines of the Afghan constitution. I discussed this with President Karzai at some length. He is enthusiastic about this agenda. If we follow those guidelines, we can make real progress, and that is exactly what we should aim to do.

On Russia, yes, I think we should be serious and committed to multilateral disarmament. The statement spoke about moving towards a world without nuclear weapons. I have always believed that Britain should not give up weapons in the hope that it might somehow unlock this process and make it come about. We should be absolutely clear: we are a nuclear power for very good reason. We should work towards that goal, but we should not be naïve in throwing away our weapons in the hope that others will do so.

In terms of Afghanistan, there are many lessons to learn, but one of the points that the right hon. Gentleman made is absolutely right: we need to make sure we are effective militarily, but at the same time we always have to look at development, governance and political processes. I think NATO is quite well equipped to do that. We should be thinking also about how we can make sure that we reform what we do so that the battalions that we send in are able to do so-called "hot" development, as well as actual war fighting. It is in the early days when the military goes in that it can form a real impression that it is going to be digging wells, building schools and making a country more pleasant to live in, at the same time as securing it from terror. That is one of the big lessons to learn, as the right hon. Gentleman says.

Several hon. Members *rose*—

Mr Speaker: Order. Understandably, there is much interest, but there is also pressure on time, so economy, both in questions and answers, is vital if we are to make some progress.

Sir Malcolm Rifkind (Kensington) (Con): While we can warmly welcome the NATO-Russia agreement to co-operate on ballistic missile defence, is it not disappointing that NATO and Russia have not yet decided to begin talks on the multilateral disarmament of tactical nuclear weapons in Europe? Does the Prime Minister recollect that it was the previous Conservative Government who abolished British tactical nuclear weapons on the grounds that they had become militarily useless? Is it not now time for NATO and Russia to look at that at the European level?

The Prime Minister: I think that is possible. The problem has been, as my right hon. and learned Friend well knows—he has great expertise in this—that relations between NATO and Russia have been extremely strained in recent years. At the weekend, I observed a proper thawing of that situation, with President Medvedev happy to sit down and discuss what NATO and Russia could do together. I think his view is very much that this should be an expansive agenda whereby we can look at more and more areas that we can discuss.

Mr Bob Ainsworth (Coventry North East) (Lab): I agree with so much of what the Prime Minister has said, but there is one area about which I continue to be concerned. Why did he feel he had to say publicly that there would be a deadline of 2015? A timetable for 2014 had already been set, and he knows that some Government Members, including even some Ministers, have struggled and still struggle to use the same words as he does. Why did he feel that he had to say publicly that there is to be a complete end to the combat mission in 2015?

The Prime Minister: That is absolutely the right question to ask; let me answer it as clearly as I can. I think that the British people, having paid such a high price in Afghanistan, want some certainty that there is an end point. That is the first reason. I wanted to be clear that the operation will not go on for ever. I am confident that we will succeed in our goals by 2014, which will enable end-of-combat operations and much lower numbers in 2015, but I wanted to make it clear to people so that they can see that there is an end point.

There is a second reason. I think the alternative to having that deadline is endless pressure to set very short-term deadlines for transitioning this province or district at this time. I would rather we had a proper, worked-out process and plan to deliver that. I think that the 2015 deadline helps us to do that and that it gives people confidence that, 14 years after going into Afghanistan in 2001, there is an end point. I am glad I think I heard support from the Labour Front Bench for that.

Sir Menzies Campbell (North East Fife) (LD): May I press the Prime Minister again on the deadline? Can he conceive of any circumstances in which he would modify or depart from the deadline for the withdrawal of British combat troops that he has again confirmed today?

The Prime Minister: No, I do not see any reason to modify it—that is part of the reason for setting it—but I am confident, looking at the tactical progress that we are making on the ground, where the concentration of forces in central Helmand has made a real difference, and with the increased number of US forces and the great commitment made by the 48 ISAF partner countries, that we will be able to complete that transition between 2011 and 2014. However, the deadline is a deadline.

Tony Lloyd (Manchester Central) (Lab): The Prime Minister rightly emphasised that NATO is committed to a world without nuclear weapons, if that is achievable, but he also mentioned biological and chemical weapons. Is NATO as seized of the importance of getting rid of those weapons systems, because in many ways they—certainly biological weapons—are far more likely to fall into the hands of terrorists?

The Prime Minister: I can give that assurance, and not just NATO but the G8 has a good programme on that front. That is vital, and it is exactly the sort of forum in which such weapons can be discussed.

Mr James Arbuthnot (North East Hampshire) (Con): Please will my right hon. Friend clarify the extent of the agreement between Russia and NATO on ballistic missile defence, because having a jointly developed and jointly deployable system would be a major breakthrough?

The Prime Minister: Let me clarify this point. For some time, NATO has wanted a defensive system, partly because of the threat of new ballistic missile states such as Iran. We believe that it is in NATO's interest to provide that territorial defence for our own countries. That was a great source of tension with Russia, but now it is a source of co-operation. Russia has its own ideas for combining its system with ours, and we have our own ideas on what co-operation should take place. Those sets of ideas are still some way apart, but the positive thing is that discussions are under way on how we can work together.

Mike Gapes (Ilford South) (Lab/Co-op): The Prime Minister told us that the Afghans are not yet capable of securing their own country from terrorists. Does he seriously believe that the Afghans taking a lead role in provinces within four years will mean that Afghanistan will be secure from terrorism?

The Prime Minister: I am a little bit more optimistic than the hon. Gentleman. The case today is that Afghanistan ground is forbidden to al-Qaeda and al-Qaeda training camps. Post-2001, there were training camps in Afghanistan, but there is none now because of the action that the allies and the Afghan security forces have taken. The question is this: if the allies withdrew now, would the Afghans be able to sustain that? The answer today is no, but the answer by 2014 should, we believe, be yes. Of course there is a lot more help to be given and a lot more capacity to build, and a lot more troops and police need to be trained up, but we can see some success already, because the number of plots that we face from that part of the world has declined, partly because of the action we have taken.

Richard Ottaway (Croydon South) (Con): I congratulate the Prime Minister on the positive outcome of the summit and, in particular, on the fact that the United States has moved away from 2011 as the date for withdrawal, and towards 2014. However, is not Iran the elephant in the room? It does not appear in the declaration—at least not in substance. Will my right hon. Friend say what the attitude of his partners is towards Iran and, in particular, towards sanctions, which, at the end of the day, is the only weapon that we have?

The Prime Minister: There has been good progress on that. The UN Security Council resolution on Iranian sanctions was helpful. The European Union went beyond that and introduced further sanctions. When you look around that room, with all those NATO partners and ISAF partners, you see that there is a pretty good consensus on the need for sanctions and the need to apply them properly. There is a conversation that we go on having with allies such as Turkey about the importance of not seeing any slippage in the sanctions. There are some early signs that they are having some effect on the Iranian regime, but we have to keep that up. As my hon. Friend says, we do not have many other weapons to force a change of mind on the Iranians. The sanctions are a weapon that we have, and we should use them to the best of our ability.

Jeremy Corbyn (Islington North) (Lab): Does the Prime Minister not agree that the greatest causes of problems in this world are poverty, instability and the competition for resources? The NATO summit has set itself on a path of nuclearisation, a missile defence system and an alliance that includes virtually all the major industrial countries of the world. Should we not be looking in the other direction, towards peace, disarmament and a stable world based on those objectives, rather than towards vast expenditure on new nuclear weapons and missile defence?

The Prime Minister: Let me be clear about where I think the hon. Gentleman is right and where he is wrong. He is right that we should be doing more to tackle poverty the world over. That is one of the reasons why we have committed to spend 0.7% of our gross national income on aid. Britain has very effective aid programmes, and we should be encouraging other NATO allies to do the same. However, where he is wrong is to believe that all conflict and problems come from poverty. Some of the problem of Islamic extremism is related not to poverty but to ideology. We have to recognise that we have to confront and defeat that ideology.

Bob Russell (Colchester) (LD): The Prime Minister said that every one of the 48 nations in the coalition had reaffirmed its enduring commitment to the mission in Afghanistan. On sharing the burden and removing the overstretch of our forces in Helmand province, which of the other 46 countries, apart from the United States, have service personnel serving alongside our personnel in Helmand?

The Prime Minister: In Helmand, there have been very courageous efforts by the Estonians and the Danes, who have fought very effectively alongside our troops. The Canadians, as someone mentioned, were stationed in Kandahar, and they will be moving from a combat role to a training role. It was not that long ago that France had an uplift in its troop numbers, so I do not think that it is right to cast too many aspersions about other NATO allies. We are certainly the second largest contributor by quite some way. It is important that we encourage others to do what they can, even where countries are pulling back from a combat role. It was quite notable that the Canadians invested more in a training role than people were previously expecting. There is a good spirit among the ISAF nations, as we want to see this through successfully and everyone has to play their part.

Mr Geoffrey Robinson (Coventry North West) (Lab): Is the Prime Minister aware that there will be widespread support in the country for the deadline—the end time—that he has fixed for the conflict? However, even if we can successfully withdraw after four years, for British troops that means another four years of bloody fighting in what he himself calls the most dangerous part of Afghanistan—Helmand. I appreciate that we cannot push him on the details now, but over those four years will there be a continued effort to see, rather than a military outcome, an overall political accommodation with the Taliban?

The Prime Minister: There are two elements to the reconciliation process. There is what is called reintegration, at the lowest level, where tribes that have perhaps taken up arms against the Afghan national army and the allies are being encouraged to put down those arms and join a political process. Sometimes tribes took up arms not because they were Taliban supporters, but because of local conflicts. The higher level—reconciliation, as it were—is much more like a political process. That has to be Afghan-led, and, as I said, it has to be based on de-linking from al-Qaeda, giving up violence and accepting the basic tenets of the Afghan constitution. In the end, those people want the same as everyone else, which is an Afghanistan that is not stationed full of foreign troops, so I hope that we can make progress on the political front, as the hon. Gentleman says.

Mark Lancaster (Milton Keynes North) (Con): Like any serviceman or woman who has spent time in Afghanistan, nothing would make me happier than seeing a speedy resolution to this conflict. Does the Prime Minister agree, however, that if we are to meet this ambitious timetable, we must focus on capacity building in the provinces, which is key if we are to have a sustainable future in that country?

The Prime Minister: My hon. Friend has served in Afghanistan and knows the country well, and he is completely right. As I have said, there are two elements involved. The first is the security forces training the police and the army, but on its own that does not provide enough capacity. We also need good governance, and one feature that we should look at closely is the progress of better governance in Helmand province itself. Governor Mangal has done an extremely good job there and is well supported by the British, and it is important to have good governors in place to ensure the stability that will enable us to leave.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Prime Minister mentioned the EU-NATO partnership and the fact that there had been discussions. The French press reports said that it was still completely unclear what we were doing. Can he shed any more light on what this now amounts to, post-summit?

The Prime Minister: There was a very lively exchange at the NATO leaders' dinner on this issue. I am a pragmatist, and it just seems to me that, given that there is an EU mission to train the police in Afghanistan and a massive NATO mission to train the army and the police there, the fact that NATO and the EU cannot talk to each other on these issues because they do not have permission to do so, apart from in Bosnia, is simply crazy. One of the reasons for this problem is the fact that the issue of Cyprus is used by both sides in the debate, and the EU-NATO relationship is used as a proxy for that. I am sure that everyone in this House wants to see a settlement of the Cyprus dispute, but we should not allow that to bung up relations between the EU and NATO. An outbreak of pragmatism is required and, because this was discussed at the dinner, we all instructed our NATO ambassadors to go back and try to do better, so that we can try to unfreeze that conflict.

Rory Stewart (Penrith and The Border) (Con): I congratulate the Prime Minister on setting such a firm deadline for the ceasing of combat operations but, given the problems that we had in Basra in 2006, how will we use the next three years to ensure that we pin down the United States and British military to facilitate the transition?

The Prime Minister: I pay tribute to my hon. Friend, who knows a huge amount about that country—I do not want to give an advert for his book, because I am sure that it has sold well enough already. The point is that by setting the deadline early, we are giving a clear signal to our friends and allies in NATO about the role that Britain has played—we should remember that we have played a very big role and taken a very large number of casualties—and about our intentions. The key to a successful transition is focusing on training the Afghan army and police, as well as the governance that I have spoken about, and being clear about our intentions. We cannot make it up with only six months to go; we need to say now what Britain's commitment is and what it will be in the future.

Mr Dennis Skinner (Bolsover) (Lab): So, to sum up, does the Prime Minister agree that he has done a dodgy deal with Karzai and the Taliban, got into bed with that ex-KGB man, Putin, and already done a deal with the French to share our defence? Was that rainbow coalition in the Tory manifesto?

The Prime Minister: The hon. Gentleman makes me sound terribly busy, anyway. I think I will just leave it at that.

Dr Julian Lewis (New Forest East) (Con): The new NATO strategic concept approved at Lisbon rightly states that, as long as other countries have nuclear weapons, so will the NATO alliance. Some of us would like to see the same apply to the United Kingdom. What

reassurance was my right hon. Friend able to give to our NATO allies that Britain's Trident replacement programme will go ahead after the next election, given that, if the Liberal Democrats were again to hold the balance of power, that would almost certainly not happen?

The Prime Minister: My hon. Friend and I go back years on this issue, to the time when we almost shared an office. At that time, we were fighting a very unilateralist Labour party that wanted us to give up our nuclear weapons and get nothing in return. The assurance that I can give my hon. Friend is that I believe that while others have nuclear weapons, we should retain ours. That is why I said what I said in the statement. He is being a little unfair, however, because in this Parliament, we will be spending many tens or even hundreds of millions of pounds on the preparation for our Trident replacement—which is on schedule to go ahead—to ensure that there is continuous at-sea deterrence and no capability gap between the deterrent that we have now and the deterrent of the future. The Government, including the Liberal Democrats, are fully committed to that.

Chris Bryant (Rhondda) (Lab): I warmly congratulate the Prime Minister on raising the matter of Georgia with President Medvedev. When the right hon. Gentleman visited Tbilisi in 2008, he said that this was an illegal invasion. It certainly was, and it still is today. May I urge the Prime Minister to be a bit more robust in some other respects with the Russians? Corruption is so endemic at the very highest level in Russia that British businesses find it very difficult to do business there. Will he expressly raise the human rights issues, particularly in respect of the trial of Mikhail Khodorkovsky and Platon Lebedev?

The Prime Minister: I take what the hon. Gentleman says very seriously. We are trying to have better relations with Russia—that is, I think, in our interest—but without trying to gloss over the bilateral impediments to those relations. When I have met President Medvedev, I have raised the Litvinenko case and other concerns, which is also right. At the same time, we must try to overcome some of these problems and raise the cases that the hon. Gentleman mentions. The impediments to relations between Britain and Russia are well known, but that does not mean that we should fail to speak about those and other things and try to have a slightly better relationship than we have had up to now.

Dr Andrew Murrison (South West Wiltshire) (Con): The Prime Minister rightly touched on the importance of guaranteeing Afghanistan's northern distribution network. Does he agree that security in Tajikistan is particularly important if we are to have any prospects of withdrawing within a reasonable time frame, and that it is also important in developing NATO's relationships with Russia?

The Prime Minister: My hon. Friend makes an extremely good point. If we want to leave behind a secure and stable Afghanistan, relations with its neighbours are crucial. Many people make the point that NATO and ISAF are making a tremendous effort in Afghanistan and that many of the country's neighbours will benefit from a stable Afghanistan, but are not making a contribution. I think it is up to them to contribute, but also up to us to try to bring the neighbours together to make sure they demonstrate the equity they have in a stable Afghanistan for the future.

Mr Frank Roy (Motherwell and Wishaw) (Lab): Is it not apparent that the number of trainers for the Afghan police and army is woefully inadequate? Will the Prime Minister tell us what the timeline will be and what priority will be given to increasing the number of trainers by all the countries concerned?

The Prime Minister: We are making very good progress in training up the Afghan police and army. We are a little ahead of schedule. The key thing about this NATO summit was to get other countries to commit to adding to the training mission. There were some very welcome developments, such as the Canadians who, in pulling back on the combat forces front, committed to the training mission. As I said, Britain added another 320 trainers. I think we are on target to deliver the sort of Afghan national security forces we need to complete our drawdown by 2014.

Mr Edward Leigh (Gainsborough) (Con): To be honest, I have always questioned whether foreign combat troops can ever win a war in Afghanistan. What does the Prime Minister say to those who argue that setting a deadline just incentivises the Taliban never to negotiate?

The Prime Minister: I think it incentivises the Afghan Government to recognise that we are serious about handing over a country for them to run. It also shows the Afghan security forces that they are going to have to learn to stand on their own two feet. Let me make two additional points. First, there is a serious amount of time to elapse between now and the end of 2014 when all this has to be completed. This is not some rapid deadline; there are a lot of years between now and then to make it work. Secondly, Robert Gates, the US Defence Secretary has said about the US forces:

> "I think anything that remains after 2014 would be very modest and very much focused on the kind of train and advise and assist role".

So I do not think we are putting ourselves apart from the consensus on this matter.

Thomas Docherty (Dunfermline and West Fife) (Lab): Further to the answers given to both my hon. Friend the Member for Motherwell and Wishaw (Mr Roy) and to the hon. Member for Colchester (Bob Russell), will the Prime Minister provide some specific figures—either to the House today or later through the Library—on how many additional trainers and instructors each of the NATO countries has committed to Afghanistan?

The Prime Minister: I should be happy to place that information in the House of Commons Library or write to the hon. Gentleman. In the run-up to the summit everyone was asked to make extra contributions, and my understanding is that we made ours and that a number of other countries did the same. However, I should be happy to provide the information so that the hon. Gentleman can see exactly how we will secure the size of Afghan security forces that we need.

Rehman Chishti (Gillingham and Rainham) (Con): How will the ethnic and regional composition of the Afghan national army and police force be maintained in the long term?

The Prime Minister: My hon. Friend is right to raise that issue, which is a difficult one. Not only has there been an insufficiency of Pashtuns in the security forces, but there has been an insufficiency of Pashtuns from Helmand and elsewhere in that part of the country. That means that we must make a greater effort to recruit and retain them, but I think that as they see progress on the ground they will be more likely to want to serve.

Let me make clear that we are on track to achieve the 2011 goal of 171,600 in the Afghan national army—the current force is 138,000—and to reach the October 2011 target of 134,000 in the Afghan national police, who currently number 120,000. Plainly, those are not unrealistic objectives, but the point about the ethnic make-up is important.

Toby Perkins (Chesterfield) (Lab): The Prime Minister is right to say that the country has paid a tremendous debt to Afghanistan in terms of the cost to our country. He said earlier that he would send a message to our friends and allies by setting a deadline, but he also sends a message to our enemies by setting that deadline. What impact does he think the deadline will have on al-Qaeda and the Taliban? Does he think that it will make them more likely to want to negotiate?

The Prime Minister: The point is that the Taliban have suffered huge reverses in Helmand and southern Afghanistan, particularly over the past year, and a serious attrition in their numbers. As for what I have said, I have not been talking about 2010, as my predecessor did, or about 2011; I have been talking about 2015.

I think the Taliban know that they are losing militarily and suffering huge attrition in their numbers. They should also know that, as well as the military hammer that is hitting them, there is the option of a political process allowing them to reintegrate at a low level, and that, with the Afghan Government, there are opportunities for reconciliation at a higher level. If we look across the world at the way in which counter-insurgencies have ended, we see that they have normally ended through a combination of military might and a political process, and I believe that the same applies in this instance.

Tony Baldry (Banbury) (Con): Turkey has always been important to the defence of NATO's southern flank, and, given the ongoing concerns about Iran's intentions, it will continue to be so. Does that not confirm that it is in all our interests for the United Kingdom to be the best possible friend to Turkey in Europe?

The Prime Minister: My hon. Friend is entirely right. I think it important for us to send a message to the Turks that, as far as we are concerned, they should be sitting in the tent as well as guarding the camp, and I therefore believe that, as well as being good NATO members, they should be encouraged into the European Union. They are a key ally—a key NATO ally. Given our relations with Iran, it is important for them to be staunch in terms of sanctions and trade with Iran, because that will send the clearest possible message to their neighbour.

Several hon. Members *rose—*

Mr Speaker: Order. Any Member who was not present at the start of the statement should not expect to be called to ask a question. That is the position in the House, and it is important that we adhere to that standard.

Mr Peter Bone (Wellingborough) (Con): Sometimes the Prime Minister just cannot win. If he sets a deadline, they say that he is encouraging the Taliban; if he does not set a deadline, he is accused of drift. Does he agree that our brave men and women in Afghanistan will warmly welcome his statement?

The Prime Minister: I am grateful to my hon. Friend for his support. There is another point to be made. The Taliban trade on the idea that foreign forces will never leave Afghanistan. By setting a deadline such as this and being clear about transition, we are saying to Afghans throughout the country, "We want good relations with your country—we think that it is an important country for Britain to have strong relations with—but we do not want our forces to be there for ever, and neither do you." That is a very important message.

Laura Sandys (South Thanet) (Con): In the context of NATO reform and NATO into the future, does the Prime Minister see a growing role for NATO in relation to such matters as securing trade routes and counter-piracy, which are essential to our domestic economic prosperity?

The Prime Minister: My hon. Friend is entirely right. NATO was for years focused very much on territorial defence of Europe against the Soviet Union and, sadly, when we look at the defence postures of different countries in NATO, including our own to some extent, we see that there is still too much legacy-asset thinking—about tank battles in Europe, for instance, rather than securing sea lanes, fighting cyber-attack, combating terrorism and securing failed states on the other side of the world. So a big shift needs to take place in NATO, and I think this weekend's summit was important in helping bring that shift about.

Nadhim Zahawi (Stratford-on-Avon) (Con): Did the Prime Minister have a chance to discuss with President Obama and others in NATO the very worrying news coming out of North Korea of the discovery of a state-of-the-art uranium enrichment plant?

The Prime Minister: I discussed that issue with President Obama and others at the G20 summit in the Republic of Korea, because obviously that country is so close to the line of control that what happens in North Korea is very much on everybody's minds. What we want is a return to the six-party talks and to put pressure especially on North Korea's neighbours to try to get that country to go down a more sensible path.

Mr Julian Brazier (Canterbury) (Con): Does my right hon. Friend agree that no amount of skill and courage by our troops at the sharp end can substitute for muddled

command and control structures, especially at the military-political interface, and that to avoid the kind of mistakes that disfigured the early years in Afghanistan we need the kind of reforms that he introduced nationally with the National Security Council and which he is now pressing for, and got a first stage for, at the NATO conference?

The Prime Minister: My hon. Friend has huge expertise in this area. I think that NATO in Afghanistan did initially suffer from having a slightly divided command between an ISAF mission to secure Afghanistan and Operation Enduring Freedom to combat al-Qaeda, particularly in the Tora Bora. It has taken some time to have a more unified command and a greater focus on what was necessary not only militarily, but politically and diplomatically. I think that the whole process is now much better run and managed, but we must make sure we make the most of the remaining few years that we have in order to ensure we can hand over a stable and secure Afghanistan.

Mr Speaker: I am grateful to the Prime Minister and all colleagues for their co-operation.

Financial Assistance (Ireland)

4.17 pm

The Chancellor of the Exchequer (Mr George Osborne): With permission, Mr Speaker, I should like to make a statement regarding financial assistance for Ireland.

I hope Members will understand that an announcement had to be made at the weekend, ahead of markets opening this morning. Last night, I spoke to the Chair of the Treasury Committee and the shadow Chancellor to keep them informed of the latest developments.

The United Kingdom, alongside the International Monetary Fund, the European Union, the eurozone and other member states, is participating in the international financial assistance package for Ireland announced last night. We are doing this because it is overwhelmingly in Britain's national interest that we have a stable Irish economy and banking system.

The current Irish situation has become unsustainable. Its sovereign debt markets had effectively closed and had little prospect of reopening. While Britain's market interest rates had fallen over the past six months, Ireland's had risen to record levels, and Ireland's banks had become completely reliant on central bank funding to maintain their operations. In the judgment of the Irish Government, as well as of the IMF and others, this situation could not go on.

Members will understand that it would not have been appropriate for us in recent weeks to have engaged in public speculation about whether Ireland should request assistance from the international community, but I can now report that we have been engaged in intensive private discussions with the G7, the IMF, the EU and the Irish Government on plans for the eventuality that Ireland would request support. At the G20 meeting in South Korea two weeks ago, I was one of the European Finance Ministers who issued a joint statement that provided a brief respite. At the ECOFIN meeting last Wednesday, my colleagues and I discussed the Irish situation with Finance Minister Brian Lenihan, with whom I have also kept in touch directly. Following meetings in Brussels, the Irish Government committed to engage in a short and focused consultation with the IMF and the EU. On Thursday a joint mission arrived in Dublin, and in the last few days I engaged with my counterparts in the G7, the euro area and the EU about the way forward.

Following intense work over the weekend between the Irish and international authorities, last night Ireland's Prime Minister, Brian Cowen, made a formal request for assistance. This was followed by statements from the G7, the IMF, the Eurogroup and European Finance Ministers that they would

"provide the necessary financial resources for Ireland to implement its fiscal reform plans and stabilise its banking system."

The statements made it clear that there were two components to the rescue package. The first puts beyond doubt Ireland's ability to fund itself. The international assistance package will support an ambitious four-year fiscal strategy which the Irish government will set out later this week. This will see a fiscal consolidation of €15 billion by 2014, of which €6 billion will be implemented next year, as part of a strategy leading to a target budget deficit of 3% of GDP in four years' time. The second part of the assistance package is a fund for

[Mr George Osborne]

potential future capital needs of the banking sector. This will support measures to promote deleveraging and ensure restructuring of Ireland's banks, so that its banking system can perform its role in supporting the economy.

Let me turn to how the package will be financed. This is a joint programme, with funding from both the IMF and the EU. The amount of money involved will, in part, depend on the IMF's analysis of what is needed, and Prime Minister Cowen has said that he expects it to be less than €100 billion. The international community is working on the rough assumption that the IMF will contribute about one third of the total. The total European package will provide the other two thirds. Based on the significant reform of the IMF agreed by G20 Finance Ministers last month, the IMF is well placed to play a leading role in this international effort. The UK, of course, is an important shareholder of the IMF and we will meet these multilateral obligations. I would like to reassure the House that the IMF is currently well resourced and able to meet the cost of the package for Ireland.

The European element of this package will primarily come from two sources of funding agreed in May before this Government came into office: the €60 billion European financial stabilisation mechanism; and the €440 billion European financial stability facility. The balance between the European mechanism and the eurozone facility will be determined in the coming days. The United Kingdom is not a member of the euro, and will not be a member of the euro while we are in government, and so we will not participate in the eurozone stability fund. To be fair to my predecessor, he kept us out of that fund, but he did agree to the UK's involvement in the European mechanism two days before we took office. I made it clear at the time that I did not believe he should make that commitment. However, it operates according to qualified majority voting and so we cannot stop it being used, and to exercise that vote at this time would, I judge, be very disruptive. So the EU will lend money to Ireland on behalf of all 27 member states, and the UK must accept its share of this contingent liability, which would arise in the unlikely scenario that Ireland should default on its obligations to the EU.

On top of this, I have agreed that the UK should consider offering a bilateral loan to Ireland, as part of the IMF and European package. I judge this to be in Britain's national interest. Let me explain why. We have strong economic relations with Ireland. Ireland accounts for 5% of Britain's total exports—indeed, we export more to Ireland than to Brazil, Russia, India and China put together. Ireland is the only country with which we share a land border, and in Northern Ireland our economies are particularly linked, with two fifths of its exports going to the Republic.

Just as our two economies are connected, our two banking sectors are also interconnected. I should stress that the resilience of our own banks, which are now well capitalised, means that they are well placed to manage any impact from the situation in Ireland. But two of the four largest high street banks operating in Northern Ireland are Irish-owned, accounting for almost a quarter of personal accounts. The Irish banks have an important presence in the UK. What is more, two Irish banks are actual issuers of sterling notes in Northern Ireland. It is clearly in Britain's interest that we have a growing Irish economy and a stable Irish banking system. By considering a bilateral loan, we are recognising these deep connections between our two countries and, crucially, it has helped us to be at the centre of the discussions that have shaped the conditions of an international assistance package that is of huge importance to our economy. Of course, this is a loan and we can expect to be repaid. In fact, Sweden has already deemed it to be in its national interest to consider a bilateral loan to Ireland.

Now that the Irish Government have requested assistance, a lot of the detailed work of putting together the package can take place. I understand that Members are keen to hear the specifics, such as the rate of interest on the loans, the repayment periods and the contribution from each of the various elements of the package. I shall keep the House informed.

Later this week, the Secretary of State for Northern Ireland and my hon. Friend the Financial Secretary to the Treasury will be in Northern Ireland to discuss the situation there. I will ensure there is a specific discussion in the House if there is a bilateral loan, and we will need to take primary powers.

Finally, let me say something about the future of the various European support funds, which are being discussed later this year. Both the Prime Minister and I are very clear that when it comes to putting in place a permanent eurozone bail-out mechanism, the UK will not be part of that.

This is a situation of great difficulty for Ireland and it is a tragedy when it did so much to improve its competitiveness with low taxes and flexible labour markets, but the truth is that it had a hugely leveraged banking sector that was badly regulated—a pattern that we have had to deal with in our own country. In addition, because Ireland is a member of the euro, exchange rate flexibility and independent monetary policy were not tools available to it when the crisis took hold. The arguments against Britain joining the euro are well rehearsed, not least by me, but although "I told you so" might be correct, it does not amount to an economic policy.

When the coalition Government came into office, Britain was in the financial danger zone. We have taken action to put our house in order. We were once seen as part of the problem, but we are now part of the solution. Ireland is a friend in need and it is in our national interests that we should be prepared to help at this difficult time. I commend the statement to the House.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): I thank the Chancellor for advance notice of his statement and for keeping me informed about developments over the weekend.

The Opposition agree with the Chancellor's basic argument that Ireland is a friend in need and that Britain should not simply ignore the plight of one of our biggest trading partners because it is in the eurozone and we are not. So we are in principle content to support a role for the UK in assisting Ireland to secure economic stability.

The Chancellor talked about the resilience of our banks, and the question that many people will be asking today is why he thought it was wrong for the previous Government to support British banks but right for his

Government to support Ireland's banks. On the crucial question of ensuring that Britain's contribution is fair and balanced, will he first explain how our relative share of the burden will be calculated and what his definition of "fair" will be?

Secondly, will the Chancellor give his expectation of the proportion of UK support that will go through each European route—the European financial stability facility, the stabilisation mechanism and the bilateral arrangements—and the rationale for that distribution? He said that he disagreed with the agreement that my right hon. Friend the Member for Edinburgh South West (Mr Darling) made in May to enter the European stabilisation mechanism, yet the Chancellor is seeking to provide bilateral support. Why does he need to provide bilateral support when the other routes are available? Will he also tell the House how, when and where each element will appear in Government accounts?

Thirdly, what interest rate is to be charged on our loans, what form will it take and when does the Chancellor expect to receive full repayment? I understand the issues he mentioned about not being able to tell us now, but if he cannot give us any indication, when and how will that information be reported to the House?

Fourthly, what conditions will the Chancellor seek to apply, and is he preparing this proposal unilaterally or in conjunction with our European partners? Will there be any attempt to interfere with Ireland's right to set its own tax rates? Will the Chancellor tell us to what degree he believes the difficulties are a consequence of Ireland's adoption of the euro? What does he think this will mean for the future of the single currency? When his right hon. Friend the Foreign Secretary was asked if he thought the euro would survive, he shrugged his shoulders and said, "Who knows?" That strikes me as being at the least undiplomatic and at most unworthy of the great office he holds. It could even be said to be making "I told you so" into an economic policy. How would the Chancellor answer the question about whether the euro will survive?

Finally, it is clear that Ireland's efforts to cut its deficit so deeply and quickly have failed to lead to growth in the economy. The private sector has not taken up the slack caused by the huge cuts to public services, so will the Chancellor agree that growth is crucial to Ireland, Europe and, indeed, to the UK's full recovery and tell us what steps he is taking to encourage growth as part of this package? In 2006, he said that we should "Look and learn from across the Irish Sea". In a eulogy of the deregulation of the financial services sector, he asked:

> "What has caused this Irish miracle, and how can we in Britain emulate it?"

Now he needs to assure us that he has learned other lessons from across the Irish sea. The last time he made a statement from that Dispatch Box, he said that Britain was on "the brink of bankruptcy", but that was clearly not the case. Now he is proposing to make a substantial contribution to a country that really is on the brink. One lesson from Ireland should be salutary: exaggerated rhetoric affects confidence and loss of confidence can lead to economic disaster.

Mr Osborne: I certainly agree with that last statement. First, I welcome the support in principle that the Opposition have given to this decision and I well understand that the shadow Chancellor, like everyone else in the House, will want to see the specific terms and conditions. The IMF-EU team hope to conclude those in the next couple of weeks and then, of course, I will bring those details to the House.

On burden sharing between the different European channels, we will make no contribution through the stability facility—the eurozone facility. In relation to the mechanism—money lent off the back of the EU—if Ireland were, in an extraordinary situation, to default on that then we, as one of the 27 members of the European Union, would have a contingent liability. That is how the mechanism operates. On the terms of the bilateral loan, we have not yet set a figure on that, but it will be in the billions, not the tens of billions. On that, too, I will come to the House when I have a specific figure. As I have said, we will be required to take primary powers to make that bilateral loan and I would hope to have Members' support in doing that.

The shadow Chancellor mentioned the mechanism. In the period between the general election and the creation of this Government, to be fair, as I said in the statement, the former Chancellor of the Exchequer made it clear that he did not want the UK to be part of the eurozone facility, but he did agree to the use of the mechanism. It is based on article 122, the original intention of which was to provide support to eurozone members in dealing with natural disasters. At that time, I said that I did not think that we should be committing to that, but that debate was had in May. The mechanism exists and, frankly, for the UK to say now that we will vote against its use would, as I have said, be very disruptive.

The question of the accounts is for the Office for National Statistics and the Office for Budget Responsibility. My understanding is that the loan will of course add to borrowing but that we will get an asset in return—an Irish commitment to pay back the loan—and that it will not add to the deficit.

On the conditions attached to the loan, I would expect them to be part of the international package agreed with the IMF and European Union contributions, so I would not expect radically different conditions for the UK.

I think it is well known that corporation tax has been the subject of discussion in some European Union capitals, but not here—we believe that countries should be free to set their own tax rates. The Irish Government have to make some very difficult decisions about their fiscal package over the next four years, and how that package is composed should be a decision for them—provided, of course, that the international community is satisfied that it is credible, and I am absolutely sure that we will be satisfied.

Finally, the right hon. Gentleman asked two questions, one about the future of the euro and so on. As I have said, we made lots of arguments about not joining the euro 10 years ago and I do not—*[Interruption.]* I cannot remember what the Opposition's official policy is, but it probably does not bear consideration. I would just make the point that I am dealing with the situation as I find it today. We can debate the merits of the euro at another time; I have to deal with the Irish situation.

On the deficit and Ireland's decisions, I have to say that in all the discussions I have been involved in during recent weeks, not a single person around the international

[Mr George Osborne]

tables has suggested that Ireland should be doing less to address its fiscal situation. I would have thought that the current economic environment in the world would surely remind everyone of the risks run by countries with very high budget deficits and no credible plan to deal with them. Unfortunately, we inherited a higher budget deficit than Ireland's, so I hope that the right hon. Gentleman and the Leader of the Opposition, in this big rethink they are having, will re-evaluate their opposition to a fiscal plan that has taken Britain out of the financial danger zone, which means that we are not one of the countries speculated about at the moment. I hear today that the Leader of the Opposition says that their economic policy is a blank sheet of paper. Quite frankly, I do not think that it would be much use taking that into an international negotiation.

Several hon. Members *rose*—

Mr Speaker: Order. There is enormous interest but some pressure on time, so brevity from Back Benchers and Front Benchers alike is vital.

Mr Andrew Tyrie (Chichester) (Con): I think that the public were shocked to discover that the UK was going to be bailing out a eurozone member, not just through the IMF or bilateral loans, but through the European stabilisation mechanism—that is, through the EU budget. Will the Chancellor reassure the House that he will seek to block British participation in any replenishment of the €60 billion mechanism?

Mr Osborne: Let me first say that it is our intention not to be part of the permanent eurozone bail-out mechanism, which of course is the subject of discussion, not least at the December Council. It would be our intention that that mechanism should return to what it was designed for in article 122, which is dealing with natural disasters. There has been a balance of payments support mechanism in the European Union for many years to deal with the accession of the central and eastern European countries. Both that mechanism and that balance of payments support drew from the same €60 billion, and we would certainly not be in favour of somehow replenishing it to make good the amount of money that, potentially, will be committed to Ireland.

Several hon. Members *rose*—

Mr Speaker: Order. I should also mention that Members who were not here at the start of the Chancellor's statement should not expect to be called. That is what I said in respect of the previous statement and that is our usual practice, to which I think we should adhere.

Mr Alistair Darling (Edinburgh South West) (Lab): I agree with the Chancellor that it is in our country's interests to do everything we can to help Ireland through its present difficulties. Although he and I agree that I was right to keep us out of the eurozone support fund, some money coming from Europe is partly subscribed by us and also the IMF—but does that not demonstrate that it is in our interests? The fact that he is also willing to make bilateral loans available to Ireland demonstrates that it is our interests to sort out the problems in Ireland. Although he does not have the details, can he tell us how much of that money from us and from other sources will be used to restructure and recapitalise the Irish banks, which is absolutely necessary in Ireland and also, I suspect, in a number of other countries in Europe?

Mr Osborne: I very much welcome what the right hon. Gentleman has said, and of course I agree that it is in our national interests, and indeed the interests of other European Union member states, that we bring some stability to Ireland. He is right, as his question implies, to focus on the banking system. The situation in Ireland is different from the situation that Greece found itself in earlier this year, with which he had to deal when he was Chancellor.

On the question of the breakdown between the amount of money going to the banking system and the amount going to fund the sovereign, I am afraid that I cannot give the right hon. Gentleman the exact figures, because they are still being negotiated, but I would say that most of the money will be used to take the sovereign out of the market for a period, and a substantial minority of the amount will be required for a fund to help the Irish banking system.

Mr John Redwood (Wokingham) (Con): Given that the very large loan to Greece on 2 May did not stop the rolling euro crisis despite the promises from many of the participants at the time, will the Chancellor assure the House that Britain does not stand ready to lend more money to other eurozone members in the event that the Irish loan package does not mark the end of the crisis either?

Mr Osborne: I was very clear that the bilateral loan was given because of the very specific economic relationship between the UK and Ireland, the interconnectedness of our banking systems, the fact that we share a land border, and the importance of the Irish banks in Northern Ireland. Those specific reasons led me to believe that it was right to provide a bilateral loan in these circumstances.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I wonder whether the Chancellor would help me with a conundrum that the people of Sheffield will no doubt be mulling over tonight. Why, in raising the money for the bilateral loan for the Irish Republic, would it not be possible to help another friend in need by adding a simple £100 million to the loan and helping Sheffield Forgemasters, which after all will repay the loan, just as the Irish will?

Mr Osborne: What I am proposing is a bilateral loan to another sovereign nation as part of an international package. Of course, I am doing it to provide stability for the entire UK economy, including the economy of Sheffield. I believe the steps that we have taken in the past six months to move this country, with the highest budget deficit in the G20, out of the financial danger zone provides the platform for economic growth, as it does for the rest of the UK.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does the Chancellor realise that our constituents were very angry indeed at having to bail out mismanaged British banks, and will be even angrier at having to bail out

even more irresponsibly managed Irish banks? Will he not have to give a clearer picture of some of the consequences for the British economy if such action is not taken?

Mr Osborne: I make two observations. The first is that this is a loan to a sovereign nation state and, barring a really extraordinary turn of events, we would expect Ireland to pay us back. So we are making a loan to another sovereign nation that we fully expect to be paid back. The long history of international packages shows that the IMF and others get their money back in almost all circumstances. This is a loan that we can afford to make and which we will get back. Secondly, there is a broader observation about banking systems in Ireland, the UK and elsewhere. They became vastly over-leveraged and vastly over-borrowed and they were very badly regulated. The assurance that I can give my constituents and those of the right hon. Gentleman is that we are sorting out the regulation of the UK banks. We hope that the Irish Government are now dealing with the situation of the Irish banks. They were interconnected with the UK and made a lot of loans in the UK, and it is in the interests of us all that we sort out the Irish banks as well.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): I recognise the reasons why the Chancellor has had to provide the loan to the Irish Republic, and he has recognised the potential impact of that on the Northern Ireland economy and on business in Northern Ireland. Will he support the Northern Ireland Executive in reducing the level of corporation tax there to the same level as exists at present in the Irish Republic?

Mr Osborne: I thank the right hon. Gentleman for the support that he has given to the action that we have decided to take today. He will know that my right hon. Friend the Northern Ireland Secretary is pursuing with vigour the subject of Northern Ireland's economic environment and business environment, the corporation tax rate and so on, and we are coming forward with plans to stimulate the Northern Ireland economy. Specifically, the Northern Ireland Secretary and my hon. Friend the Financial Secretary to the Treasury will be in Northern Ireland later this week to talk principally about what is going on this week, but I am sure they can have discussions about broader issues as well.

Chris Heaton-Harris (Daventry) (Con): As much as I am uncomfortable with the fact that we are bailing out a eurozone country, I have to concur that it is overwhelmingly in our national interest to do so. After 13 years on the sidelines, it is nice to see us playing a central part in negotiations that affect eurozone countries and the IMF. Can my right hon. Friend reassure the House that the UK will commit resources to Ireland only if we are confident that Ireland is able to grow its way out of trouble and pay our money back?

Mr Osborne: I thank my hon. Friend for his support, and the answer to his question is yes.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Will the Chancellor be a little more clear about whether he is ruling out providing financial support in future to Greece, Portugal, Spain, Italy or any other country in the eurozone? Yes or no?

Mr Osborne: It would not be particularly responsible of me to speculate on any other country at this time. Let me put it as clearly as I can: there are very specific connections between the UK and Ireland, which we do not have with other countries, and I think that is why it is completely appropriate that we make a bilateral loan in this case.

Michael Fallon (Sevenoaks) (Con): Does the Chancellor agree that, when we end up having to lend very large sums of money to other countries, the Government should always be able to do so at their discretion, in a way that is accountable to this House and not at the mercy of being outvoted by other European countries?

Mr Osborne: My hon. Friend makes a very good point. As I say, a bilateral loan will be debated in this House and require the Government to take primary powers, so it is within the control of all Members, and we are accountable to the taxpayers of Britain for that. I have explained the situation, so I will not go over it again, but we are part of the European mechanism, which involves a qualified majority vote, and even if we had exercised a no vote we would have been completely outvoted. That is why I want to see that the UK is not part of the permanent bail-out mechanism, which will be discussed at the December Council.

Mr George Mudie (Leeds East) (Lab): We are contributing to the IMF deal and to the stability mechanism deal. Is the £7 billion additional to that, or is it broken up between those two with a topping-up sum?

Mr Osborne: I am not going to give a specific figure today, because it simply has not been agreed as part of the overall package with the Irish. In these situations, it is perfectly normal for the sovereign Government, in this case the Irish, to invite the IMF and the EU in and to ask for their help, and for that to be negotiated over the following week or two. Of course, we will be part of that, but as I say, I expect the UK's support to be in the billions, not the tens of billions.

Mr David Ruffley (Bury St Edmunds) (Con): If it requires a treaty change to create a new permanent bail-out mechanism, will the UK Government be prepared to use their veto?

Mr Osborne: We have made it clear that we would accept a treaty change—of the kind that, for example, Germany is talking about—only if it created a eurozone bail-out mechanism that we were not part of, and of course a treaty change requires unanimity.

Mr Andrew Love (Edmonton) (Lab/Co-op): Will the Chancellor confirm that the UK is Ireland's largest creditor, being owed about £100 billion or 7% of our GDP? It is understandable that we would want to be in there and protecting our investment. During his speech, he mentioned that we were at the centre of discussions to shape the conditions of the agreement, but does he intend those conditions to include a further retrenchment of the Irish economy, or, like Opposition Members, will he go for growth in order to help the Irish economy get back on its feet?

Mr Osborne: The plans to deal with Ireland's budget deficit are a very important part of the Irish Government's approach, but they are also part of the international package. The further fiscal tightening was specifically referred to in the statement issued by Finance Ministers yesterday. That will mean that Ireland has a budget deficit of less than 3% by 2014. If we had not taken the action that this Government have taken to accelerate the proposals we inherited, we would have been the only European country in that year with a budget deficit of more than 3%.

Mr Douglas Carswell (Clacton) (Con): We might be outside the euro as a currency union, but does the small print of the Lisbon treaty not in effect make us, as we are discovering, members of the euro as a debt union? Notwithstanding protocol 15, article 122 of the Lisbon treaty means that we pay. Will not that mean enormous non-discretionary liabilities as and when other eurozone countries seek similar bail-outs?

Mr Osborne: As I said in reply to earlier questions, we entered into certain commitments about the mechanism that I did not support at the time; I have made that clear. I was an opponent of the Lisbon treaty, as were many hon. Members. However, I have to deal with the world as I find it today, and that is a world in which Ireland's economic situation is unsustainable. One of the reasons for choosing to offer a bilateral loan is precisely so that this Parliament, including my hon. Friend, can have a view and a vote on it, and we can account for that to our constituents.

Ms Margaret Ritchie (South Down) (SDLP): I thank the Chancellor for his statement and the proposed assistance. Will the Treasury carry out an in-depth study of the economic impact of Ireland's assistance settlement on the regions of the UK, particularly the devolved regions? Will the Treasury be prepared to intervene where any region may be affected negatively, such as Northern Ireland, where there is a connection in the banking sector and where two of the banks are Irish-owned?

Mr Osborne: We are taking this action precisely because, in part, we recognise the specific economic connections between Northern Ireland and southern Ireland. I would be very happy for the Treasury to work with the Northern Ireland Executive on looking at the potential economic impact of what is happening in Ireland. Obviously, the intention is to bring some stability to the Irish economy, and then some growth, which would be in the interests of not only the people of the Republic but the citizens of the United Kingdom.

Claire Perry (Devizes) (Con): I understand that the Chancellor cannot yet set out the amounts that will be delivered under various mechanisms, but can he at least reassure the House that any bilateral financing will rank at least pari passu with money delivered through the IMF and through the EU mechanisms?

Mr Osborne: We would certainly expect it to be treated with the same seniority as any other European assistance.

Kate Hoey (Vauxhall) (Lab): What kind of conditions is the Chancellor likely to impose on the bilateral loan to Ireland? Will he take into account the feelings of people in Northern Ireland who, if they live on the border, see corporation tax at 12% just down the street, but at 28% in Northern Ireland, and will be asking why they are paying more to help a country when there is such a disparity in corporation tax?

Mr Osborne: As I said earlier, the conditions attached to our loan will be similar to those attached to the overall international assistance package; of course, we are part of the discussions when it comes to shaping that package. I would make two specific points. First, we have set very high store by sorting out the banking problem. In other words, using this financial assistance to sort out the banking problem has been the primary thing that I have been calling for in the private discussions we have had leading up to this point.

Secondly, on the rate of corporation tax, I would make this observation to the hon. Lady, and I hope that she has some sympathy with me. Ireland should be in charge of its own tax rates. How the terms of the financial assistance are met has to be a decision ultimately for the Irish Government and the Irish Parliament. It is the thin end of the wedge if we allow other countries and other international organisations to start determining what corporate tax rates should or should not be. It is in everyone's interests that Ireland grows, and it would not be particularly in our interests if the Irish undertook measures that might, for example, lead to an immediate flight of international business.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I recognise that my right hon. Friend is dealing with some very serious and potentially disastrous economic circumstances, but when I say, "I told you so," it is not just about staying out of the euro; I am saying, "I told you we shouldn't have ratified the Maastricht treaty." *[Laughter.]* They are guilty over on the Opposition Benches, too. Will my right hon. Friend be a little clearer? Is he saying that unless we are fully extricated from any potential liability for other eurozone members through the European Union, there will be no treaty change?

Mr Osborne: I am not proposing to take Britain out of the Maastricht treaty, despite my hon. Friend's request. I know that will come as a bit of a disappointment. I would like the balance of payments mechanism to remain—it has existed for many years—but of course the situation in the eurozone is not a balance of payments issue. That mechanism is for countries, particularly accession countries, to draw upon. I would like the mechanism set up under article 122 to be used for what it was designed to be used for, which was natural disasters and the like, and I would like the permanent bail-out mechanism for the eurozone not to include the United Kingdom.

Rachel Reeves (Leeds West) (Lab): Although it is imperative that we support Ireland through the crisis, does the Chancellor accept that events in Ireland demonstrate that the global economic recovery is extremely fragile, and that to premise our own recovery on £80 billion of cuts and export-led growth looks increasingly optimistic at best and dangerously naive at worst?

Mr Osborne: If the hon. Lady looks around the western economies, she will see that countries with large budget deficits—we have the largest—are moving to take further steps to show how they are reducing them. I cannot see around the international scene a single group of people other than the Opposition who actually believe that the UK should be loosening the fiscal position from what we have set out. That really is completely incredible and carries absolutely no conviction in any other part of the world. As part of the Labour party's re-evaluation of its entire economic policy, I suggest that it start with that.

Glyn Davies (Montgomeryshire) (Con): I would like to ask a question from a Welsh perspective. We all understand the impact of a strong economy in Ireland on Northern Ireland, but does the Chancellor recognise that a strong Irish economy is also particularly important to Wales?

Mr Osborne: Yes, I do. Ireland's links are not just with Northern Ireland, they are also with Wales, Scotland and England. The Irish banks were of course engaged in lending into the UK economy, UK banks have engaged in lending into the Irish economy, and many companies export to each other's countries. We are deeply interconnected, which is why I have proposed this set of measures.

Mr Ben Bradshaw (Exeter) (Lab): Does the right hon. Gentleman not have the tiniest smidgen of regret about what he used to say about the Irish economic model?

Mr Osborne: I seem to remember plenty of Labour Ministers standing at the Dispatch Box praising what Ireland was doing to make itself competitive, to reduce its corporate tax rates and to create a flexible labour market. That is the tragedy—it did so much in that direction to make itself competitive, but it did not properly regulate its banking system. We in the UK know the price of that.

Mr Edward Leigh (Gainsborough) (Con): On reflection, does the Chancellor believe that our Irish friends might have been better off remaining faithful to sterling rather than eloping with the more flighty euro, and does a warm welcome await our friends if and when they return?

Mr Osborne: I am a believer in national sovereignty, so I do not propose to tell other countries what they should do with their currencies. I would just make this observation, since this has been a debate I have heard in recent years: Ireland has all its sovereign debt denominated in euros.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Ultimately, the bail-out will work only if Ireland can retain its competitiveness. Traditional International Monetary Fund packages always include reducing public spending, increasing tax rates and devaluing the currency. The third element, which is essential for Ireland's recovery, is missing. What makes the Chancellor believe the bail-out will work under those conditions?

Mr Osborne: If it is not possible to devalue the currency, there is a more difficult route, which is to try to enforce competitiveness through, for example, wage cuts, and that, of course, is part of the Irish package. It does make things more difficult, but, as I say, those of us who argued against Britain joining the euro made all these arguments at the time. That makes for a very good discussion, but at a very theoretical level given the very practical immediate challenges we face in Ireland.

Mr Peter Bone (Wellingborough) (Con): The euro could collapse—nobody can doubt that point. During the Chancellor's wide-ranging private talks with the Irish Government, was there any discussion of a contingency plan under which Ireland would come out of the euro and become part of the sterling area?

Mr Osborne: No, there was not.

Mr Ronnie Campbell (Blyth Valley) (Lab): Are there not lessons for us in the United Kingdom to learn, given that the Irish cut very deeply not so long ago? Does the Chancellor not think that we should have a credible growth programme along with what the Government have already done? How will the Chancellor solve the problem when he does not know the causes?

Mr Osborne: An absolute precondition of growth, as we can see in Ireland, is stability, and there is no stability if people put a question mark over a country's ability to fund itself. One reason why the international assistance package is being put in place is to take the sovereign out of the debt markets for the next couple of years. Quite frankly, the decisions we took in May, in June and last month were absolutely necessary to restore international confidence in Britain's ability to deal with its deficit and to restore some sanity to its public finances. I find it slightly bizarre, having now had this argument for about a year with Labour Members, that they continue to pursue the belief that we could stick with a set of fiscal plans that no one regarded as credible.

Joseph Johnson (Orpington) (Con): Could the Chancellor say whether he thinks Ireland's move to tap international financial assistance will reduce or increase the risk of contagion for other euro area sovereigns and their banking systems? What assessment has he made of the risk posed by countries such as Portugal, Italy and Spain to the UK?

Mr Osborne: I hope my hon. Friend will allow me not to engage in speculation about any other country at the moment. The package today shows the willingness of the international community, the IMF and so on to help countries that get themselves into trouble, whether they are in Europe or anywhere else in the world.

Alex Cunningham (Stockton North) (Lab): Earlier today, I met politics students from Bede sixth form college in my constituency, who asked how it can be right to bail out the Irish economy, but wrong for our previous Government to have done likewise when our banks posed the same threat to our economy. Has the Chancellor an answer to the students and the House?

Mr Osborne: I would say to those students, and, indeed, to the hon. Gentleman, who represents them, that their prospects of getting a job later in their lives depend on a stable UK economy that is growing and a stable Irish economy that is not having contagion effects

[Mr George Osborne]

on the UK or anywhere else. That is why we are taking action domestically to put our own house in order. Even his students, I am sure, would recognise that, in the end, we cannot live beyond our means and we cannot sustain an economy on debt alone. I am also sure that if his students asked themselves what connections they had to Ireland, they would find quite a lot of connections in their family, in the businesses that they know about and the like. Our two economies are interconnected.

Nadhim Zahawi (Stratford-on-Avon) (Con): People at home will be listening to this statement, or they will read it tomorrow, and wonder whether we can borrow a few more billion and spend a few more billion. Does the Chancellor agree that market concerns over sovereign debt remain, and that the priority for the coalition Government must be to keep the UK out of the financial danger zone?

Mr Osborne: The sovereign debt concerns are very heightened at the moment—that is a statement of the obvious—and a Chancellor of the Exchequer who represents the country with the largest budget deficit in the G20, and the largest budget deficit in the EU until Ireland started to overtake us, must make moving Britain out of the financial danger zone their immediate priority, which is what this Government have done.

Toby Perkins (Chesterfield) (Lab): Does the Chancellor agree that the real lesson that comes out of Ireland—he rightly identified similarities with our economy—is that the impact of the global banking crisis added to a drastic programme of public sector cuts does not mean growth? That is dangerous to the economy.

Mr Osborne: Quite frankly, that assessment is not shared by the International Monetary Fund or other EU member states. It is not the assessment of anyone who looks at the Irish situation except for the hon. Gentleman.

Mr David Nuttall (Bury North) (Con): Bearing in mind that the Treasury will itself have to borrow the billions of pounds that it proposes to lend to the Irish Government, will the Chancellor reassure the House that the interest rate it charges the Irish Government will be substantially higher than the rate we must pay?

Mr Osborne: The terms and conditions of the loan are still to be decided, and as I said, they will be brought to the House of Commons. However, to make a general observation, we are seeking not to make a buck, but to help our friend.

Albert Owen (Ynys Môn) (Lab): The Chancellor is right to say that it is in the British national interest to help Ireland. Irish economists say that one problem on top of the instability of the banks is that the economy is suffering because too much money has been taken out of it. Will the Chancellor act in the British interest and reconsider the speed at which austerity measures are introduced in the UK, because that could hamper our economy?

Mr Osborne: At the moment, there is heightened concern around the world about European countries with high budget deficits. One such country is the UK, but there is no heightened concern about us because of the measures that we have taken. If we followed what the hon. Gentleman and Labour Front Benchers propose, and if I were to say at the Dispatch Box tomorrow, "You know what. We are abandoning our fiscal plans set out in the Budget and the spending review, and instead engaging in a loosening of those plans," I can only imagine what the international reaction would be.

Charlie Elphicke (Dover) (Con): Being there for a friend in need overseas and unbankrupting ourselves at home are right and proper. However, how could it ever be right or proper for a Government voted out of office to engage in major financial commitments for the UK while squatting in Downing street?

Mr Osborne: I think my hon. Friend is referring to the period between the general election and the creation of this Government. I have given the House my account of that. I thanked the former Chancellor for keeping us out of the eurozone facility, but I did not agree with his decision to commit us to the mechanism, and I communicated that to him. However, I also made it clear at the time there can only be one Chancellor of the Exchequer operating for the UK, even in the unusual situation between the general election and the formation of this Government. He will account for his decisions and I will account for mine.

Chris Williamson (Derby North) (Lab): I know that a week is a long time in politics, but can I take the Chancellor back to when he was the shadow Chancellor? He wrote an article for *The Times* in which he said:

> "Ireland stands as a shining example of the art of the possible in long-term economic policymaking...They have much to teach us, if only we are willing to learn."

Does the Chancellor stand by or repudiate that article?

Mr Osborne: Yes. The shadow Chancellor read out the same quotation.

Mark Reckless (Rochester and Strood) (Con): Is not the fundamental problem that Ireland has the wrong interest rate and the wrong exchange rate, and that Irish politicians made a fundamental mistake by joining the euro? Does the Chancellor agree that we must stand and support Ireland, and that should Ireland seek a return to sterling, it must have a seat on the Monetary Policy Committee?

Mr Osborne: The first time I met my hon. Friend was when we were both at university together, and he gave a speech about exchange rates and the European exchange rate mechanism. He was absolutely right in his prediction of what would happen shortly thereafter, so it is good to hear him talk about exchange rates here in the House of Commons. I would make this observation: decisions on people's currencies must, as I am sure he would agree, be decisions for the nation state involved. I have made the observation—just because there has been some interesting speculation about this—that much of Ireland's sovereign debt is denominated in euros, which would remain whatever its currency was.

Mr William Bain (Glasgow North East) (Lab): What assessment have the Chancellor and his counterparts in the eurozone made of the capacity of the European financial stability fund to withstand further calls on finance from Italy, Spain or Portugal? If the assessment is that the fund is not big enough, would he be prepared to see it increased?

Mr Osborne: As I say, I do not think that it is sensible for me to speculate about any other country in Europe or anywhere else in the world in the current environment. I would make two observations. One is that the IMF is well resourced and is now on the road to reform, so that it properly reflects the balance of economic power in the world. It is therefore well placed to deal with whatever situation emerges, in whatever part of the world. As for the eurozone stability facility, that has to be a decision for members of the eurozone. They contribute to the facility, and they have set aside a considerable sum of money—€440 billion.

Matthew Hancock (West Suffolk) (Con): Is not the lesson from what is happening in Ireland clear: that countries need to get their own houses in order? Would it not be utter folly for us to take as the lesson that we should divert from the path of getting our house in order here in the UK?

Mr Osborne: I agree with my hon. Friend. I make the point again that if we followed the prescription advanced by the Opposition—they suggest that tomorrow I should get up and announce a brand-new Budget, and engage in fiscal loosening at a time when we have the largest budget deficit in the G20 and at a time of heightened concern about sovereign debt—that would be a completely irresponsible path to take.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): For the last six months the Government have wasted no opportunity to tell us that Britain's situation is very similar to Ireland's. Now they cannot tell us fast enough that we are in a very different situation from Ireland, because we have our own currency and control of our monetary policy. Has the Chancellor not spent the last six months talking down the British economy for naked political advantage?

Mr Osborne: The reason we are in a different situation is not just because we have a different currency; it is because we have a Government who have put our public finances in order.

Christopher Pincher (Tamworth) (Con): We are in a very different situation from Ireland. In the past several months, our long-term interest rates have fallen materially, whereas those of Ireland and other parts of the eurozone have not. Will my right hon. Friend remind those on the Opposition Benches—and particularly on the Opposition Front Bench—why that is so?

Mr Osborne: That is absolutely the case. Back in May, the largest bond investor in the world said that sterling was sitting on a "bed of nitroglycerine". That was the kind of sentiment out there in the markets. We have taken—*[Interruption.]* The speculators? The Labour party literally believes that it can defy the bond market. That is what Labour Members are reduced to—that is where their policy review is leading them. I have to say that it is not a credible economic policy for this country.

Chris Evans (Islwyn) (Lab/Co-op): The Chancellor seems confident that the bail-out package will work. What will happen if it does not? Will there be more loans, and can we expect public sector cuts to pay for them?

Mr Osborne: Of course, an absolute precondition of the package being negotiated is that not just the UK but the IMF and others believe that it will work. An enormous amount of effort is going into putting together a package that will deal not just with the sovereign debt situation, but—the former Chancellor alluded to this—with the Irish banking situation. That is a key part of the package.

Richard Harrington (Watford) (Con): Does my right hon. Friend agree that a main cause of the problems in Ireland is the pursuit of those very policies that Labour Members would have us carry out here—borrow, borrow, borrow and spend, spend, spend?

Mr Osborne: Ireland had over-leveraged banks, and they were poorly regulated. We are all picking up the pieces of something similar in the UK.

John Woodcock (Barrow and Furness) (Lab/Co-op): Given the stark consequences of Ireland's failure to grow, will the Chancellor assure the House that he has not downgraded his commitment to a White Paper on growth in Britain?

Mr Osborne: I am absolutely committed to setting out our growth policies—*[Interruption.]* Perhaps I could make the observation that I did not think that today, given the other things that are going on, would be a particularly good day for the House to discuss an economic paper from the Government. I thought it better to take the time to explain what is happening in Ireland and what we are doing to assist it.

Mr Dominic Raab (Esher and Walton) (Con): The Chancellor has set out the national interest in supporting a close trading partner and avoiding the systemic risks posed by an Irish default. How can we mitigate a third risk—the moral hazard of the taxpayer picking up the tab for yet another banking bail-out?

Mr Osborne: Of course, the support that we are providing with the bilateral loan is to the Irish Government—to the sovereign—and we have every expectation that that will be repaid.

John Cryer (Leyton and Wanstead) (Lab): Will the Chancellor now answer the question that the hon. Member for Harwich and North Essex (Mr Jenkin) asked? Does he believe, as I do, that when British Ministers signed up to Maastricht and the growth and stability pact, they made a mistake?

Mr Osborne: To be honest, the real mistake was that countries did not pursue the policies recommended in the growth and stability pact, which was to keep control of their public finances. Year after year during the past decade, the UK was regularly warned that its deficit was growing and that it was not doing enough to deal with it. If we had listened—not necessarily to the European Commission, but to all the other people in the world who were pointing that out—we would have been in a bit better shape than we were when this Government came to office.

Dr Andrew Murrison (South West Wiltshire) (Con): Does my right hon. Friend agree that one of the few redeeming features of the Labour party when in government was that it failed to take us into the eurozone? Does he understand, as I do, that the Labour party's policy remains that we should work towards the eurozone? As the Leader of the Opposition is changing his policies, what advice can he offer?

Mr Osborne: Let me speak for Government policy. We will not join the euro. I believe that the Opposition's official policy is to join the euro, but perhaps that will be discussed by their policy groups over the next two years.

David Rutley (Macclesfield) (Con): The Chancellor is right to support Ireland, one of our important trading partners, at this critical time. Will he tell the House what steps he is taking to widen and deepen our trading relationships with fast-growing major markets such as China, India and Brazil? The Labour party missed a huge opportunity when it was in government.

Mr Osborne: The fact that we export more to Ireland than to Brazil, Russia, India or China is a statement of the interconnectedness of the Irish and UK economies, but also an indictment of our exports to the fast-emerging BRIC countries, which is precisely why, since taking office, the Prime Minister has led major trade delegations to India and China, and why we want to ensure that companies in Macclesfield and throughout the country can export more to those fast-emerging new markets.

Alec Shelbrooke (Elmet and Rothwell) (Con): The Chancellor has been asked whether he has a smidgen of regret about his comments on the Irish economy, but does he not find it more incredible that the Opposition still believe that we should join the euro after the devastation that it brought to a thriving Irish economy?

Mr Osborne: As I have said, it is for the Opposition to speak to their own policy. As I understand it, they are still committed in principle to joining the euro—

Mr Ronnie Campbell: No!

Mr Osborne: Maybe not on the Benches where the hon. Gentleman sits, but it is those on the Opposition Front Bench that I am talking about.

Ben Gummer (Ipswich) (Con): The Chancellor will be aware of the significant property assets owned by Ireland's National Asset Management Agency and the Irish Allied Bank across the United Kingdom. Uncertainty in Ireland has prevented development on those sites and is stopping development in some of the most deprived areas in our country, which need regeneration. In providing funds to the Irish Government, what pressure can my right hon. Friend bring to bear on the Irish to divest themselves of those assets so that others can provide investment where they cannot?

Mr Osborne: My hon. Friend makes a very good observation about a particular aspect of the Irish banking situation and its impact on those property investments in the UK. We have discussed this with the Irish, and I will get back to him on whether there have been specific developments in the last few days, but I have not raised the matter as part of the discussion on the international assistance that we are providing. We are trying to put the whole Irish banking system and the Irish state, which stands behind those banks and, indeed, behind NAMA, on to a much more stable footing.

Jeremy Lefroy (Stafford) (Con): I thank the Chancellor for his welcome statement. Given that we have sovereignty over these matters, in what currency is the bilateral loan likely to be denominated?

Mr Osborne: We will set out the terms and conditions and the exchange rate of the bilateral loan when we agree them over the next couple of weeks, and I will bring that information to the House of Commons.

David Morris (Morecambe and Lunesdale) (Con): I congratulate the Chancellor on doing the right thing in this instance—*[Interruption.]* He did the right thing. Also, as a result of the fact that we have managed the economy better over the past six months, we are in a position to lend to Ireland. The Conservatives' insistence on not joining the euro in the first place has saved us from an even bigger bail-out package than we are having to contemplate now.

Mr Osborne: As my hon. Friend says, we are now part of the solution rather than being part of the problem.

Mr Rob Wilson (Reading East) (Con): May I offer the Chancellor my support in the difficult task that he has ahead? Will he spell out for the House what he believes the consequences of leaving the euro would be for Ireland?

Mr Osborne: As I have said, that has to be a matter for Ireland. It has not been raised by them in any discussion, publicly or privately, and I do not think that I should speculate about it.

Points of Order

5.22 pm

Caroline Flint (Don Valley) (Lab): On a point of order, Mr Deputy Speaker. The Minister for Housing and Local Government, the right hon. Member for Welwyn Hatfield (Grant Shapps), has been out and about in the TV and radio studios describing the biggest change to social housing for a generation, and one of those reforms could mean that people who get a pay rise could be evicted from their social homes. On the "Today" programme he said:

"I don't want to overstep the mark and announce something to you which is actually properly being announced to Parliament later".

A consultation document has been published, and the period of time in question is only eight weeks, not 12. We are told that this consultation will inform the localism Bill which we have heard on the grapevine will be published this week. This is not the right way to treat the House. Mr Deputy Speaker, will you ask the Housing Minister to come here and apologise and to allow us to question those proposals?

Mr Deputy Speaker (Mr Lindsay Hoyle): First, may I thank the right hon. Lady for giving me notice of her point of order? As the House knows, Mr Speaker attaches great importance to key policy announcements being made to the House before they are given to the media. There has been a written ministerial statement today, and the Department for Communities and Local Government will be answering questions on Thursday. This seems to be a classic example that should be drawn to the attention of the Procedure Committee as part of its inquiry into ministerial statements.

Andy Burnham (Leigh) (Lab): On a point of order, Mr Deputy Speaker. At the last two Education Question Times, hon. Members raised concerns about the award of a contract to an organisation called the New Schools Network by the Department for Education, and about the lack of process that was followed. I wrote to the permanent secretary more than three weeks ago, asking him to investigate those concerns. I was promised a reply a week ago today, in advance of Education questions last week and of the Opposition day debate, but no such reply was forthcoming. Mr Deputy Speaker, through your good offices, may I ask that Members be given prompt answers when they are promised them, so that important questions can be raised and the Department in question can be held to account on these important matters?

Mr Deputy Speaker: That is not a point of order, but the message has been put before us and I am sure that the Chief Whip will have taken note of it. I am sure that this will be taken into account and that we can look forward to earlier replies in future.

Savings Accounts and Health in Pregnancy Grant Bill

Consideration of Bill, not amended in the Public Bill Committee

Clause 1

REMOVAL OF ELIGIBILITY FOR CHILD TRUST FUND

5.25 pm

Mr David Hanson (Delyn) (Lab): I beg to move amendment 1, page 1, line 1, leave out Clause 1.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 17, page 1, line 6 , leave out '3rd January 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 4, page 1, line 6, leave out '2011' and insert '2016'.

Amendment 18, page 1, line 8, leave out '3rd January 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 5, page 1, line 8, leave out '2011' and insert '2016'.

Amendment 19, page 1, line 14, leave out '3rd January 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 6, page 1, line 15, leave out '2011' and insert '2016'.

Amendment 20, page 1, line 17, leave out '3rd January 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 7, page 1, line 17, leave out '2011' and insert '2016'.

Amendment 21, page 1, line 18, leave out '3rd April 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 8, page 1, line 18, leave out '2011' and insert '2016'.

Amendment 22, page 1, line 21, leave out '3rd January 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 9, page 1, line 22, leave out '2011' and insert '2016'.

Amendment 23, page 2, line 2, leave out '3rd April 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 10, page 2, line 2, leave out '2011' and insert '2016'.

Amendment 24, page 2, line 4, leave out '3rd January 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

[Mr Deputy Speaker]

Amendment 11, page 2, line 4, leave out '2011' and insert '2016'.

Amendment 25, page 2, line 5, leave out '3rd April 2011' and insert

'a date to be set by regulations made by the Secretary of State by statutory instrument'.

Amendment 12, page 2, line 5, leave out '2011' and insert '2016'.

Amendment 26, page 2, line 8, at end insert—

'(5) Regulations made under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.'.

Amendment 51, page 2, line 8, at end insert—

'( ) The Chancellor of the Exchequer must lay a report before Parliament no later than 31 December 2011 on the impact of section 1 on looked-after children in England, Wales, Scotland and Northern Ireland.'.

Amendment 52, page 2, line 8, at end insert—

'( ) The Chancellor of the Exchequer must lay a report before Parliament no later than 31 December 2011 on the uptake of tax free savings accounts by looked-after children in England, Wales, Scotland and Northern Ireland following the implementation of section 1.'.

Amendment 36, in title, line 1, leave out

'To make provision about eligibility for a child trust fund;'.

Mr Hanson: The Bill was considered in Committee but it was not amended, despite the fact that we had some 19 Divisions, which showed the strength of feeling among Labour Members. I am pleased to see so many of my hon. Friends who served in Committee in their places today.

The Labour Opposition's objection to clause 1 was well rehearsed on Second Reading and in Committee, but I regret to tell the House that it will be rehearsed again as we continue to explain our objection to the clause. As ever, I wish to help the Minister and be pragmatic by giving him the opportunity to reflect on the mistake he is making in proposing clause 1 and on the issues we raised in Committee, which my right hon. and hon. Friends want to debate again.

My main concern is to delete clause 1, which amendment 1 is designed to achieve, unless we can get the Minister to reconsider some of the amendments we tabled in Committee, which are before us today. I refer particularly to amendment 17, which would delay the abolition of the child trust fund until such time as the proposed child ISA—individual savings account—came into play. We had that debate in Committee and I will refer to it again later.

Amendment 4 would allow the abolition of the child trust fund to be delayed until 2016. Again, I want to help the Minister and give him an opportunity to fulfil his manifesto commitment to help the poorest third of children in society. At the general election in May, he said that he would not wish to see them disadvantaged by the abolition of the child trust fund.

I also support amendments 51 and 52, tabled by my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins), which raise issues that my hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson) aired in Westminster Hall relating to looked-after children. It is important to return to those issues again today.

Amendment 1 would delete clause 1. I want the Minister and the House to know that, however pragmatic our approach to the abolition of the child trust fund, our fundamental objective is to ensure that the fund remains for all children, as proposed by the previous Labour Government.

I say that for three reasons. First, we believe that the child trust fund promotes saving, encourages financial education and ensures that all young people have a financial asset at the age of 18, which is particularly important for those who come from poorer families. The child trust fund scheme, introduced by the Labour Government, was having a positive effect between April 2008 and April 2009: a massive 823,504 vouchers were issued—about 70,000 a month; more than 74% of the accounts were opened by parents; and about £2 billion is held in funds. By the end of this year, it is likely that more than 6 million child trust funds would have been opened. That is a success by any stretch of the imagination—a success now being torn up by the coalition Government. Those child trust funds would have helped to support our children when they reached the age of 18. That would have been a progressive measure, which is why Labour Members oppose clause 1.

5.30 pm

The principal aim of child trust funds was to ensure that families who had never saved for their children undertook such saving as a matter of course. Previously, regular long-term savings had been made for only 18% of children. The child trust fund industry average is now 31%. Money is being saved every month in 30% of the child trust funds of families whose incomes are just above welfare dependency level. Families in the lowest income bracket are saving a higher proportion of their household incomes than those in more affluent groups.

In Committee, we heard evidence from Katherine Rake of the Family and Parenting Institution, and from the Children's Mutual. They recognised—I quote from a letter written to *The Sunday Times* in July—that

"the decision to abolish the Child Trust Fund along with the Savings Gateway"

—to which we shall return later—

" is short-term and misguided."

According to the figures we have, there have been regular contributions to child trust funds, made in a highly tax-efficient way, of more than £22 million a month up to July this year. The Government are abolishing a successful scheme, which is why we will oppose clause 1 unless it is amended.

Let me again help the Minister. As he can see, amendment 4 alters the date of 3 January 2011 to 3 January 2016, which is later than the date of the next general election. That date was chosen so that the Minister could secure a proper mandate for the abolition of child trust funds. I accept that in Committee the amendment was rejected by 10 votes to seven, but it has been tabled again so that Conservative Members can stick to their manifesto commitment to the electorate. The Minister will know—but it is worth reminding the House—that this was in the manifesto on which he, indeed, all 306 Conservative Members—stood:

"We will... cut government contributions to Child Trust Funds for all but the poorest third of families and families with disabled children".

I am being pragmatic about amendment 4, which is not perfect, but, if the Minister accepts it, I will ask my hon. Friends to support clause 1. The amendment gives the Minister an opportunity to fulfil his manifesto commitments to help the poorest third of families, to help children who are disabled, and to help children who are looked after and in care, who, indeed, form most of the poorest third of children. In February this year, the Government supported an increase in the amount payable to disabled and severely disabled children. Given that, and their commitment to retain child trust funds for the poorest children, I hope that the Minister will support our amendment, but I ask him to defend his decision to renege on that commitment.

As ever, I exempt the Liberal Democrat hon. Member for Birmingham, Yardley (John Hemming) from the charge, for he and his party stood on a proposal to abolish child trust funds across the board. As I recall, 57 Liberal Democrats and 307 Conservatives were elected in the general election, as well as a substantial number of Labour Members, Scottish National party Members, Plaid Cymru Members, Ulster Unionists, Independents, Democratic Unionists and Sinn Féin Members, none of whom supported the abolition of child trust funds. The policy of abolishing them across the board was officially supported at the general election by only 57 Members of the House of Commons, yet the Minister has come here today prepared—as part of a wider coalition agreement—to give up his principle of supporting the poorest third of families in the community so that the Liberal Democrats can put their seats on the line and their backsides in ministerial cars.

Clause 1 will hit the poorest children in our society, and it should be resisted. We should do what the Conservatives felt they should do in May this year, and support poorer families as a whole. Amendment 4 would allow child trust funds to be retained. It would also allow the Minister to go into the next election with his promise to the electorate maintained, although he would be able to argue to the electorate that, if returned in 2015, he will abolish child trust funds completely. The amendment does nothing but allow the Minister to keep to his manifesto pledges.

Amendments 51 and 52 stand in the name of my right hon. Friend the Member for Wythenshawe and Sale East but have broad cross-party support. As I said, my hon. Friend the Member for Kilmarnock and Loudoun raised the issue they address in Westminster Hall. Sadly, the new clause that I wished to be selected was not selected today, but these amendments give the Minister an opportunity to reflect on the impact of the abolition of the child trust fund on children in care.

I seek to assist the Minister. I want to give him a chance to reflect on his actions. I will put aside the fact that in Committee he voted down amendments we had tabled to maintain the child trust fund for looked-after children, because I hope he has reflected on what the Prime Minister said to my right hon. Friend the Member for Wythenshawe and Sale East at a recent Prime Minister's questions, and because I believe he has had some very constructive meetings with my right hon. Friend.

I want the Minister to look at the impact of the abolition of the child trust fund on looked-after children. Some 6,000 children go into care each year, and there are 86,000 children in care across the UK—as of March this year, there were 64,000 in England, 5,000 in my home area of Wales, 15,000 in Scotland and just over 1,600 in Northern Ireland. Over previous years, the state has opened 33,158 child trust funds for children who are looked after by the state or by individuals who have been given that power by the state—children in residential care or foster care. When in Committee the Minister refused to allow the child trust fund to continue for those children, he was saying to them that the state no longer has a role to play in helping to support them financially at the age of 18. I believe he will want to reflect on that. Amendments 51 and 52 provide him with an opportunity to realise that we can, after all, offer help and support to such individuals at that time in their lives.

The amendments give the Minister an opportunity to look again at the impact of the abolition of the child trust fund and of the implementation of clause 1. They give him an opportunity to look at how we might provide some help and support. We must not allow individuals who do not have parents to contribute to their future to fall through the net. Indeed, for them, parental contributions to the child individual savings accounts that will be introduced in October next year will not be possible, because they do not have parents who play an active role—or their parents might not even be alive. The amendments would avoid a postcode lottery in respect of local authorities. As the Minister said in Committee, they can contribute to the fund, but they might do so individually with no recognition of the specific needs of each individual in their communities.

My right hon. Friend the Member for Wythenshawe and Sale East will outline his amendments in more detail, so I will not dwell on them much longer, but I want the Minister to say what we will do for looked-after children if clause 1 is agreed in the House this evening and enacted.

Amendment 17 also addresses the child trust fund issue. It is a pragmatic amendment that I hope the Minister will consider. Again, it would give him some flexibility. It would amend the Bill so that eligibility for a child trust fund was not cut off in January 2011, and Ministers could, by regulation at some point in the future, introduce a date to end eligibility. We discussed this matter in great depth in Committee, but I am still interested in the Minister's thinking on it.

Amendment 17 does not say that the Minister will not be able to abolish the child trust fund, much as we wish he would change his mind on the issue. We have no final details on the new child ISA and no implementation date for it, although October next year has been suggested. The amendment simply says that in the time between the possible abolition on 3 January, as set out in the Bill, and the introduction of the new child ISA in October or November next year, the Minister is allowed to keep the flexibility of the child trust fund for all children, and in particular for the benefit of looked-after children and those in the poorest third. The amendment seeks to ensure that between 3 January and a date provided by regulation the Minister could continue to have lower payments in place, to which the House has already agreed, for children born after 3 January 2011. Alternatively, he could end Government contributions but keep eligibility in place for parental contributions until such time as he introduces the child ISA.

There are many good reasons for taking such an approach. Carl Emmerson, of the Institute for Fiscal Studies, has said:

> "I do not think that it is possible to make decisions on how the policy should look and also ensure that the financial sector is geared up to operate a market of that size." [*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010, c. 16, Q37.]

He was making the point that we do not yet know what the child ISA is, how it will operate and when it will come into play, and we need to know those details before we abolish the child trust fund. Graeme McAusland, chief executive of the Children's Mutual, told us:

> "If what happens next is that you launch this new junior ISA, it would seem sensible to leave the child trust fund mechanism in place until it is clear what that new product is and until the industry is ready to participate in it." [*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010; c. 46, Q133.]

Amendment 17 gives the Minister a final opportunity to maintain the child trust fund, not for ever, for three years or for five years, but for a further eight months, until we are clear on the implementation of the ISA he is introducing.

These amendments are clear, and let me make it clear to the Minister that the Labour party opposes the abolition of the child trust fund and will continue to do so, not just here tonight and as we have done in Committee, but in another place. I hope that he will look favourably on the amendments tabled by my right hon. Friend the Member for Wythenshawe and Sale East relating to looked-after children, so that we can find a detailed solution before this Bill abolishes things. I hope that the Minister will consider maintaining his manifesto commitment, because I want him to go back to the electorate with some integrity in 2015.

Finally, I hope that he will look pragmatically at ensuring that an alternative product is in place and at maintaining the child trust fund until such time as the child ISA is introduced next October. Serious issues are at stake. I know that my right hon. and hon. Friends feel very strongly about these matters—we all do—and it is important for the Minister to respond on them. I hope that having reflected on the 19 Divisions in Committee and the seriousness with which we take these matters, he will at least come back to the House and reflect strongly on the views that we have put to him today.

John Hemming (Birmingham, Yardley) (LD): We are back where we were in the Public Bill Committee: the Opposition are going to fight on the barricades to protect the child trust fund because it is so important. We are in a world where we are borrowing large sums—we have seen in Ireland what happens if we do not bring the finances under control—and the Labour party wants to borrow money to put it into child trust funds. That sounds interesting, and in 18 years, children will be able to access that child trust fund. We then have to ask, however, what happens to the money in that child trust fund, and it is relatively difficult to find out. Today, I looked at the annual reports of the Children's Mutual. In 2008, the funds were generally worth less than the money put in. In 2009, some were worth more than the money put in and some were worth less.

5.45 pm

The idea is that the Government borrow a large sum of money—it was running at a very high rate of about £500 million a year—and invest it to benefit other people. That means that we get a lower return than it costs to borrow it in the first instance. In 18 years' time, those children will get a benefit. By working at an earlier stage, some will already have started paying tax, and that tax will be paying for the cost of the whole process. Given that we have a deficit that we need to bring under control, would it not be better at least to say that we will not borrow money to invest it and lock it away for 18 years, because, frankly, we have not got the money to do that? The Opposition argue that there is evidence that justifies the process because it encourages people to save, but the evidence is not there. The Government are proposing a junior ISA scheme that will be available to everybody from the point at which the child trust funds scheme ends. There is no question that anyone will fail to have a savings vehicle.

It is also important to remember the evidence we heard in Committee from the Royal College of Midwives, which said very simply that if a family is on a very low income and has a young baby the best thing they can do is spend the money on good quality food and health. We will soon hear Opposition Members argue that that is important.

There are those who say that people do not have to chose whether to spend £10 on better-quality food or to invest it in a savings vehicle that is not making them any money and that they can do both, but, I am sorry, that does not add up either. People do not have such options. If they are on a low income, they must decide what to do with the money. They do not have the resources to put money in a child trust fund and lock it away until the child is 18. Although the scheme has the advantage that the money can be locked away until then—it is quite useful for grandparents to know that the money will not be used until then—a family that faces difficulties when a child hits 10 or 13 finds that it is an inflexible vehicle that is not very good for their purposes.

On the amendments on children in care, I have a lot of concerns about the care system. There is confusion about the difference between a looked-after child and a child in care and the wrong figures are often quoted. In 2010, 9,500 children in England were taken compulsorily into care and more children were put voluntarily into care by their parents under section 20 of the Children Act 1989.

We identified in Committee that the administrative costs to the Government of running the machinery for the child trust funds were about £5 million a year—I think that the Financial Secretary can confirm that figure—*[Interruption.]* I thought that it was £50 million to start out with, but I had it confirmed that it was £5 million a year and I accept that it is. I have heard various figures from the Opposition for how much it costs to put in the additional cash to maintain the system for children in care, and those figures ranged from £1 million to £2 million a year. If we add the £5 million a year to the larger figure of £2 million a year, we will be putting in £7 million a year, which we are borrowing, to cover putting £2 million a year into an investment vehicle that probably does not produce a return over time to match the long-term benefit that we would have gained by not borrowing the money. We

would be far better off simply saying that we will provide some funds when those children reach the age of 18. To spend £7 million in such a way is not a rational means of managing public finances.

Fiona Bruce (Congleton) (Con): Would we not be far better off doing what we are doing now and supporting growth in the economy so that we can provide the jobs that those young people will need when they finish education and start work?

John Hemming: The hon. Lady is entirely right. If we do not deal with the deficit, we face many other problems. We will end up paying a higher interest rate on sovereign debt. At the moment we are doing quite well, with an interest rate of about 3.5%. Before the bail-out, the Irish were being charged about 8% and the Greeks are being charged about 11%. When a country has a large deficit, if that country does not take action, not only does the amount of debt go up but so does the rate of interest.

Sheila Gilmore (Edinburgh East) (Lab): In April, the leader of the Liberal Democrats said that big cuts would be extremely dangerous. Did the hon. Gentleman agree with him then? If he does not agree with that now, when did he change his mind?

John Hemming: That might be slightly out of order, but I should probably answer the question. There has been a debate about the £6 billion of cuts in this financial year. At about 4% of the overall deficit, £6 billion is not a large sum, but given what happened with the initial sovereign debt crises during the general election—things that we have to be aware of, such as what was going on in Greece—we need to give the message that we are serious about dealing with the deficit. That is a socially progressive policy.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does the hon. Gentleman accept that the state has a special responsibility for children in care, irrespective of how they end up in care? Even in times of financial difficulty, any responsible parent would look first to the most vulnerable children, and that is what the state should do.

John Hemming: I agree entirely, but it is also the state's responsibility to make sure that we do not spend £7 million to give people £2 million. Putting aside whether child trust funds bring a return over time, it is absolutely absurd to propose, as the Opposition do, spending £7 million to give children in care £2 million. There has to be a better way of doing things. Also, those children would not get the money until they were 18.

Nic Dakin (Scunthorpe) (Lab): I think that the hon. Gentleman agrees that we should support looked-after children in some way, so can he suggest a better way? *[Interruption.]*

John Hemming: From a sedentary position, an hon. Member suggests that we ensure they have a job. That is true, but what we are talking about is a child trust fund that is made available at the age of 18.

Pete Wishart (Perth and North Perthshire) (SNP): Would not the people whom we are talking about need that money at 18 to pay for the Liberal Democrats' tuition fees?

John Hemming: The good news is that we are scrapping up-front tuition fees not just for full-time students but for part-time students, but I think we are straying—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We are going off the Bill.

John Hemming: The point is that spending £7 million to give £2 million is an appalling waste of money. Anyone who votes for anything like that will have a real stain on their financial track record, because people will observe the Opposition saying, "This is so important that we have do things in this inefficient way." It is a ludicrous proposal.

Bill Esterson (Sefton Central) (Lab): The hon. Gentleman has talked about ISAs replacing the child trust fund as a way of saving for children. Does he appreciate that ISAs are often related to stocks and shares and that their value can go down as well as up? I do not see the difference in what he proposes.

John Hemming: At this point, I should declare my interest, which is on the Register of Members' Financial Interests, as the chair of a company, John Hemming and Co., which provides software to ISA providers. I understand how ISAs operate and that the value of ISAs that are exposed to the stock market can go up as well as down. The difficulty with the child trust fund is that it is relatively small and that there is a great challenge in managing small funds. As a proportion of the fund, the 1.5% charges rate is higher than that for many other funds.

Kate Green (Stretford and Urmston) (Lab): Is the hon. Gentleman confident that the junior ISA will be more cost-effective for the local authorities that are the corporate parents of children in care than the child trust fund?

John Hemming: There is no reason why a junior ISA should be any less effective for the corporate parents. The issue is that running the computer systems for the child trust fund costs £5 million a year. That cost would not affect local authorities but would mean central Government incurring an extra £5 million in administrative costs now to give children in care £2 million in 18 years' time.

Kate Green: Rather than this being about whether there will be more or less cost, is it not simply about whether the cost will be borne by central or local government? In the scheme of things, that makes very little difference when we are talking about overall cost to the public purse.

John Hemming: The Opposition's proposal to maintain the child trust fund and give £2 million to children would cost £7 million, so they would waste £5 million on the process. In the sphere of the massive deficit, £5 million might not seem like much, but it is the responsibility of Government to be effective and efficient in their use of public funds.

Cathy Jamieson: Will the hon. Gentleman confirm that £5 million will still be used for children in care under the Government's proposals? Will he also tell us how it will be used?

John Hemming: I cannot confirm precisely what is being done in the care system. I am not a Minister; I have never been in a ministerial car and I have no interest in putting my derrière inside one. I happen to be a Back-Bench Member of my party who is very supportive of the Government's strategy of being cost-effective and of using public funds in the most effective way, particularly to look after the most vulnerable members of society. The simple point, on which I shall end if there are no more interventions, is that it is insane to spend £7 million to give people £2 million.

Paul Goggins (Wythenshawe and Sale East) (Lab): Let me begin by complimenting my right hon. Friend the Member for Delyn (Mr Hanson) and, indeed, all my hon. Friends for their sterling work on the Bill and exposing clearly its impact on looked-after children and children from all backgrounds. My right hon. Friend said that he wanted to be helpful and conciliatory. I have worked with him for many years and I thought he was very helpful and conciliatory this afternoon. I want to adopt the same approach regarding amendments 51 and 52, which stand in my name. They would place a duty on the Chancellor to report, by the end of 2011, on two things: the impact of clause 1 on looked-after children, and the take-up rate of tax-free savings accounts for looked-after children. Admittedly, this is in its early stages because we do not have the details on the child ISA that have been promised.

Whatever divisions there are in the House, we should always try to reach consensus on our obligations and duties in relation to looked-after children. We should not be divided on that and should constantly seek answers that we can all agree on and that clearly show we are prepared to meet our obligations. Whatever other motives might be attributed to the Minister in bringing the Bill to the House, I do not believe that he came here intending to cause children in care any harm. I believe that the impact the Bill will have on looked-after children is a genuinely unintended consequence. Equally, however, if it is enacted without steps having been taken to ensure that looked-after children are not disadvantaged by its measures, the Government—indeed, all of us—will have failed to meet our obligations.

The Minister has said on several occasions that he wants the new junior, or child, ISA to be the replacement for the child trust fund, which might have merit—I shall not discuss this in too much detail. That policy might well make sense for the child who has a parent who can afford to set up and contribute to an ISA, but for the child who does not have a parent or who does not have a parent who is in a position to invest on his or her behalf, it is meaningless. It is therefore essential to establish in the Bill the principle that the Government should open and make suitable contributions to a child ISA when a child is in care for a reasonable length of time. For me, that is a fundamental principle. I will be listening carefully to the Minister's response, because its nature and content will be important when I decide whether to press the amendment to a Division.

6 pm

It was many years ago, but I worked with looked-after children for about 10 years, most of which were spent in a local authority assessment centre in Wigan. The centre was the point of entry for many of the children in the area who came into care. Generally, we worked with those children for about three months. After that, about half of them, thankfully, were able to go back home, often with support from others in the community, because we had been able to iron out the problems, whatever they were. The other half went on in their care journey to other situations, such as foster care. It is the children in that group for whom we should have the greatest concern, because they face the greatest disadvantage. It is those children who end up over-represented in our custodial institutions, and in so many other aspects of our society that cause us difficulty.

My hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson) is right to say that we take on the responsibility as parents when those children come into the care of the state, and with that responsibility comes a range of actions that we need to take. We have an obligation to support looked-after children in different ways. Government Members are quite right to say that a good way to help children when they leave care is to ensure that they have a job to go to and that they have been properly educated and trained. Any actions that the Government take to make that more likely will have my full support, because it is important. If setting up a child ISA is good enough for children in reasonably well-off families, it is good enough for the children whom we are obliged to support and look after.

I believe that a savings account, a nest egg or some such asset could make a real difference for a young person who has been looked after as they move into adult life. The reports that I am calling for in amendments 51 and 52 would offer the Government an opportunity to demonstrate their support for looked-after children. If, in the context of the Bill, they were prepared to put together a package that would deliver both the opening of accounts and contributions to them, they would have something very positive to say in those reports.

I first raised the issue with the Prime Minister on 27 October and was heartened by his response. I asked him whether he would ask his Ministers to work with me and others to produce an affordable alternative to the child trust fund, and he said yes. In a way, that did not surprise me; whatever other differences I have with him, he has made it clear that we need to do more for looked-after children and get better outcomes for them. In that sense, it did not surprise me that he was so positive. I had a discussion with the Minister last week, which, again, was a cordial exchange. I left him several things to think about, and I look forward to hearing his observations this evening and any further thoughts he has had.

The scheme that I propose is outlined in some detail in new clause 3—it was not selected for debate, and I understand why. I have been working with a number of Members and senior representatives of Barnardo's and Action for Children, the two largest children's charities in the country. We propose a very simple scheme that would apply to children throughout the UK: for any child who enters care and remains in care for a minimum of three months, the Government should open a junior ISA and make an opening deposit of some £250, which is consistent with the previous scheme, and there should be a top-up of £100 for every year that the child remains in care thereafter. Of course, it would be open for others to make contributions to that ISA, such as members of the extended family who were not in a position to look

after the child but who could contribute. Nothing in our proposals would prevent local authorities, trusts and other benefactors from making contributions.

Cathy Jamieson: Does my right hon. Friend agree that that would also give young people themselves the opportunity to understand the value of saving and perhaps make some contributions themselves, which hitherto they may have been unable to do?

Paul Goggins: My hon. Friend makes an important point. If a looked-after child aged 16 or 17, perhaps studying and working part time, was in a position to make a modest contribution to their own fund, that would be a good thing. Looked-after children have to be more resilient than any other people in our society, so it would be good for them to learn about the importance of managing money and planning ahead through the medium of that child ISA or a savings account to which they and others may contribute. That could make them even more resilient, and looking back to the time when I worked with such young people, the opportunity to sit down with them and work out their money management would have been a great way to do it. I think that that suggestion has great merit, and if the young person could also contribute, that would be a very good thing too.

My proposal would require the Government to open accounts for about 20,000 looked-after children each year. With additional top-ups of £100 for those who remain in care for a year or more, as I have described, we are talking about a total annual sum of some £6.6 million. We can argue about whether child trust funds are a sensible way to spend half a billion pounds, and the Government have taken a view that is different from that taken by my right hon. Friend the Member for Delyn and those of us on the Labour Benches, but I put it to the House that a scheme that would deliver a savings account for every looked-after child in the UK who had been in care for more than three months, at a cost of less than £7 million, would be a good way to spend public money. The young person would get the money when they were 18. It could be an important part of care planning, as I said in response to my hon. Friend the Member for Kilmarnock and Loudoun, and would promote resilience. It would send a clear and strong message to the young people concerned that we owe them an obligation and are prepared to support them in a practical way.

I hope that the Minister will provide a positive response not only to the precise content of my amendments, but to the proposal in general and the need to do something, either here or in another place, that will put in the Bill something tangible for looked-after children. What I propose is modest, but it could make a real difference. If the Minister is prepared to act and make that clear, that would be good news for looked-after children. It would demonstrate that, whatever differences there are in this place over the Bill, when it comes to looked-after children we are prepared to sink those differences and do something together.

Paul Maynard (Blackpool North and Cleveleys) (Con): I am grateful for the opportunity to pass comment on the Opposition's continued attempts to retain child trust funds. I am struck, in particular, by the nature of their opposition: rather than concentrating on the effectiveness or otherwise of child trust funds as savings vehicles, they appear to have reduced their argument to one about generic usefulness. There seems to be a growing objection to abolishing child trust funds, because somehow the Opposition have inadequate confidence in the junior ISAs or child ISAs that are due to replace them. That is particularly concerning.

I remind those Members who sat on the Public Bill Committee with me, and inform those who did not, of a quote from the director general of the Building Societies Association, Mr Adrian Coles, who said:

"let us not pretend that we need to rely on the Government or the public sector to do all of this. The 49 building societies and other mutuals offer about 100 children's savings accounts in the free market, which have been pretty successful over the years".—[*Official Report, Savings Accounts and Health in Pregnancy Grant Bill Public Bill Committee*, 2 November 2010; c. 26, Q67.]

I know that in Committee concerns were expressed that the customers who take out ISAs might be the more affluent or the more elderly. It was made clear at the time that 12 million people on incomes under £20,000 have ISAs, and that 40% of them are under the age of 44, compared with just 20% who are over the age of 64, so any concerns that younger families are not sharing in ISAs are unfounded.

I was particularly concerned when I heard continued doubts about the ability of families on lower incomes to cope with the financial complexity of an ISA. We need to trust people. A great deal of work is going into financial education—an increasing amount. It is a trend initiated by the previous Government, and I congratulate them on that. We are building on it, so we can have confidence in ISAs as a potential future savings vehicle.

Another reason for opposing the abolition of the child trust fund was the impact that that could have on the needs of families with disabled children. I was shocked by one of the statements by the shadow Minister, the right hon. Member for Delyn (Mr Hanson), when he said that

"the proposal for providing 8,000 week-long respite breaks each year for disabled children in England . . . trivialises the nature of the child trust fund".—[*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 9 November 2010; c. 228.]

I found that a disquieting comment. I do not regard respite breaks for children as trivial in any way, shape or form.

Mr Hanson: There are two points about those discussions in Committee about which the hon. Gentleman is aware. First, the abolition of the child trust fund takes away a resource that is applicable in Scotland, Northern Ireland, England and Wales, and replaces it with a provision that is available only in England. Secondly, provision for respite care is entirely different from building a capital asset for individuals at the age of 18. That was the objective of the revised proposals from the Minister.

Paul Maynard: I thank the right hon. Gentleman for that effort to bring clarity. None the less, I regret the use of the word "trivialise", if only because I have spoken to many families in my constituency with disabled children. When speaking just a fortnight ago to one family who had benefited from the family fund and had their first holiday in five years, the mother broke down in tears.

[Paul Maynard]

I raise the matter not to have a go at the shadow Minister, but to highlight one of the wider issues that was illuminated in Committee: the difference between the accessibility of an asset that is locked away until the young person is aged 18, and the changing needs of families with disabled children—and of looked-after children, for that matter. If we are seeking to target the child trust fund at those in the community who are the most vulnerable, who have the most chaotic lives, who are subject to the most pressures, to whom unexpected things occur, is it truly sensible to tie them into something that can be delivered only when the individual reaches the age of 18?

Cathy Jamieson: Does the hon. Gentleman agree that the situation should not be an either/or? We should be able to give day-to-day help and support to the most vulnerable, at the same time as allowing people—for example, looked-after children and people who have disabled children—to build a capital asset that will be available to them when they enter adulthood.

Paul Maynard: I agree entirely, and I wish that during the evidence taking in Committee and in the debate, we had had an either/or discussion, rather than an "and, and, and, and yet another idea" discussion. We had far too many shopping lists and not enough recognition that hard choices had to be made. It is important to recognise, as Marc Bush from Scope did when he gave evidence to us, that delivering an asset at age 18 is not the solution to the problems faced by families engaging in the transition of their child from childhood to adulthood, when faced with a complex disability. That starts at age 14 and can continue to age 30. The hon. Member for Stretford and Urmston (Kate Green) recognised that when I intervened on her, and that was a useful move forward.

When we are discussing the future of child ISAs, I hope it is taken into account that families who are particularly vulnerable may need access before the age of 18. Locking the ISA away until age 18 is not always the best solution.

Kate Green *rose—*

Paul Maynard: I will give way, for the last time.

Kate Green: I am grateful to the hon. Gentleman. He is right to say that if the junior ISA can offer that flexibility to disabled children, it would be a useful enhancement—I look forward to hearing the Minister's response on that—but does he accept that another advantage of the child trust fund, which he and I would welcome in the junior ISA, was that it delivered extra money to more vulnerable children in the double payments that were available to children from low-income households or with disabilities, for example?

6.15 pm

Paul Maynard: I thank the hon. Lady for that intervention. One of the joys of the Bill is that I have learned so much from her about progressive universalism. She is right that the progressive element is being removed. However, it has struck me that it is as though I have been locked away on Moonbase Alpha for the past fortnight, because there seems to have been no recognition on the part of the Opposition that we are operating in a much more stringent financial climate. The hon. Member for Wirral South (Alison McGovern), who is no longer in her place, dismissively said at one point in Committee, "I recognise that there has been a debate about the deficit and all that sort of thing." I found that regrettable.

We are operating in a situation in which we have to make financial savings. Rather than having a discussion about whether the child trust fund is the most appropriate use of public money, we have continually debated why we should do this, and this, and this, and then something else, and something else again. At no point did we discuss the crux of the issue: whether the child trust fund was the best use of public money to help those most in need in our society.

I welcome the fact that the Minister is having discussions with the right hon. Member for Wythenshawe and Sale East (Paul Goggins). I hope something comes of that, but I remain concerned that the Opposition's determination to try to save child trust funds is based on an outdated notion that only those savings vehicles provided by the state can provide a solution. That is not the case.

Yvonne Fovargue (Makerfield) (Lab): The child trust fund has a dual purpose—not only to give the young person a lump sum, but to nurture in them a savings habit for life. Some 74% of those eligible have taken up the responsibility of the child trust fund account. It is the most successful savings product on the market; ISAs and pensions fall well behind that figure. It is simple—much simpler than opening a deposit account—and it gives people a nudge to save.

Nearly a third of parents and grandparents have added to the fund, and the poorest 20% have added a higher proportion of their income to it. However, even for young people whose families do not contribute, the practical demonstration of saving in the account is invaluable. Organisations such as the Personal Finance Education Group, which works in schools, structure their lessons around it, certain in the knowledge that all pupils will have received a statement annually on their birthday, and that all pupils have such an account.

The very universality of the scheme provides a useful and practical foundation for learning and for influencing behaviour. In addition, it is especially useful for looked-after children and children with disabilities, who receive extra premiums. For looked-after children, it is a practical example of the state acting as parent and attempting to improve their prospects at 18—an ambition that all parents have for their children—by providing a lump sum at one of the most difficult periods of their lives, a time of transition that is difficult for any teenager, but especially for those leaving care.

For children with disabilities, the scheme provides an asset that allows them to take advantage of life opportunities or to invest in whatever they see as their priority. It is unfair to remove the scheme without a full impact assessment of groups who may be disproportionately affected, such as families with disabled children and people with disabilities, especially as the Demos report showed that the emergency Budget had a substantial financial impact on families with disabled children.

It has been suggested that a junior ISA may replace the child trust fund, but I cannot believe that it will provide an adequate replacement, even if a seamless

transition in January 2011 were possible, which has been disputed by a number of experts in the savings field. An ISA primarily benefits taxpayers and higher-rate taxpayers in particular, so what advantage does an ISA offer to a non-taxpaying family? Equally, the simplicity of the child trust fund product has been praised.

I have worked with people to whom ISAs and other financial products have little relevance, with people who need support to open a basic bank account and with people who have no notion of opening a deposit account. I urge Members, therefore, to retain the scheme in some form—even if only for looked-after children, children with disabilities and the poorest third of families—and not to scrap it completely. I urge Members to support the amendments.

Kate Green: I shall speak strongly in support of amendments 51 and 52, which my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins) has tabled. As he says, Members from all parties share a deep concern about the continuing very poor outcomes that we, as corporate parents, deliver for children in the care of the state. Those children suffer difficult childhoods, often arriving in care in traumatic and traumatising circumstances. They are therefore significantly unsettled and disadvantaged in their childhoods, and that disadvantage continues, to our shame, into their adult lives.

Such children all too often achieve poorer outcomes in education and health: in adult life they are less likely to move into sustainable employment or further or higher education, and they are more at risk of poverty. I know all hon. Members feel deeply that that is wrong, so I shall speak strongly in support of my right hon. Friend's amendments, because they open-mindedly ask us to address that endemic disadvantage. If Opposition Members are offered assurances that other financial instruments can meet those concerns, we will of course consider them, but we are clear about what those alternative instruments must deliver if they are to receive our approval tonight. They must deliver some of the advantages that the child trust fund was able to deliver for looked-after children—advantages that sought to some degree to adjust and compensate for the disadvantages that such children face as they embark on adult life.

The first important thing about a payment mechanism specifically designated to meet the needs of looked-after children is that it represents a signal from us as a community that we care about such children—that they are valued, and as precious as any child living with his or her family is to his or her parents. Too often, looked-after children feel that our society does not value or recognise them and that nobody has an interest in them, so a financial contribution to a savings fund for them is one of a number of steps that we can take to show that those children and their futures are important and matter to us all.

The child trust fund, in its design, also delivered much more hard-edged benefits to looked-after children. As Members have said, it put extra money aside for children through double payments, and in responding to my right hon. Friend's questions it is important that the Minister should address how we ensure that those children do not suffer further financial disadvantage and inequality in adulthood by embarking on adult life with a significantly smaller asset than many other children. Adjusting wealth and asset inequality was one of the intended bonuses of the child trust fund—one that was particularly important for looked-after children, and one that I hope the Minister will address.

My hon. Friend the Member for Makerfield (Yvonne Fovargue) pointed out that the fund sought to meet costs at a time of transition, and reaching 18 is a particularly difficult time for children leaving care, because we leave them at the mercy of adult life as no familial parent would with her or his child. No mum or dad would throw their child out of the family home without so much as a kettle or an offer to underwrite the gas bill if they struggle as they set up home, but that is what we do to too many children who leave the state's care. By providing those children with a financial asset, the child trust fund helped to smooth some of the extra costs that they faced at transition points, with which no other family member might have been available to help them. The fund therefore enabled those young people to embark on their adult life with the confidence, certainty and stability that other young people often draw from family support.

I hope the Minister will reassure me that any alternative financial model will replicate two other in-built advantages of the fund, one of which is the product's relative simplicity. It was fairly clear what sums were going in, and it was fairly clear when they could be drawn out. Junior ISAs might offer more flexibility and allow more contributions and different points of withdrawal, and that might bring some advantages, but we must not set up a product that is too complex for corporate parents and others who might wish to donate to the funds of looked-after children to access readily and save within. I look forward, therefore, to the Minister's assurances about how the product will prove accessible to anyone who wishes to save for a looked-after child or young person, and in particular how a corporate parent will be able, without unnecessary bureaucracy and expense, to make contributions for children in their care.

Right hon. and hon. Friends have mentioned how the child trust fund offered consistency throughout the country, between local authorities and in all four parts of the United Kingdom, ensuring that every looked-after child left care with the same opportunity of an asset with which to start adult life. Can the Minister assure us that the alternative mechanisms and products that he might bring forward will deliver such consistency? We do not need to perpetrate inequalities among children leaving care as we do between children leaving care and other young people as they start out on adult life.

My hon. Friend the Member for Makerfield rightly pointed out that the junior ISA offers little that is intrinsically attractive to savers who do not benefit from a tax break. By definition, that includes corporate savers who invest for the future of children leaving care. I very much want to hear how the Minister will at least incentivise, more than that exhort, and—preferably—insist that corporate parents save adequately and equally for every child who falls within their care. If those assurances are forthcoming this evening, like my right hon. Friend the Member for Wythenshawe and Sale East, I will be able to look again at his amendments. If we do not receive satisfactory assurances, however, every young person and every child who has been in care will expect the House to support the amendments, and I for one certainly will.

Sheila Gilmore: Let me offer these words to the House:

"Simply put the Child Trust fund started people saving for children again. Since its introduction, child saving across all schemes and products has risen. We should acknowledge that asset building for children became a widespread reality in the UK through the introduction of the Child Trust Fund in 2005, and it quickly became an internationally renowned example of a long term tax free savings and investment account for children, one which encouraged saving and promoted an understanding of personal finance."

Those are not my words but the words of Phillip Blond, in a new pamphlet called, "Asset Building for Children—Creating a new civic savings platform for young people". I did not expect to be speaking his words, let alone encouraging the Minister to listen to them.

Fiona Bruce: It is correct that families have engaged in, and benefited from, the improved financial awareness that was one of the stated aims of the child trust fund. However, the evidence given by Dr Samantha Callan, a witness to the Committee, said that of parents who opened child trust funds,

"99%...have not received the maximum funding available. Therefore, it is not those on the lowest income that are actually taking the initiative to open the accounts." —[*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 4 November 2010; c. 102, Q253.]

That means that they are not benefiting from the financial education and engagement that the funds were aimed at providing.

6.30 pm

Sheila Gilmore: The hon. Lady overstresses that issue. She fails to see that the child trust fund was different from other savings funds because it was intended to provide not only financial education but a real asset to children who would not otherwise retain one. It is also important to realise that there is a real difference in kind between what the previous Government put in place and the junior ISA, which was thrown in fairly late on in the course of the thinking that occurred in response to the concerns expressed and is still fairly vague in its implications.

This is about a transfer of assets and tackling asset inequality. We are faced with not only income inequality but asset inequality. It is perfectly legitimate, and indeed desirable, that we look at asset inequality just as much as at income inequality. As my hon. Friend the Member for Stretford and Urmston (Kate Green) said, the way in which child trust funds were structured enabled additional money to be put in for looked-after children and children with disabilities. That is extremely important for them at the age of 18. Junior ISAs do not deliver that; rather, they will be of greatest benefit to those who get the tax relief that goes with an ISA.

In the past, there have been many schemes allowing parents, grandparents and other people to save on behalf of children. My children had baby bonds, which were provided under the National Savings scheme, and some of the money that went in came from their grandmother. That was wonderful, and a great idea, but it would not—I am sure that it did not—assist many children from low-income households, to whom the child trust fund was specifically designed to give additional help.

I want to return to the pamphlet produced by Phillip Blond, which has been given a lot of support from several organisations interested in this field. He strongly advocates that the infrastructure of child trust funds should be retained, even if the rest of the system is to go:

"Our first and foremost recommendation is to maintain, extend and improve the infrastructure of the...Child Trust Fund under the auspices of the new ABC account. Maintaining the old CTF platform comes at a minimal cost (£2m pa) and it preserves a unique and valuable savings infrastructure for the further augmentation and development of children's savings."

That would then enable the new proposal that comes from a raft of organisations working with children—the ABC account—to be developed using the same infrastructure. It would also enable this Government, or a future Government, to return to it and decide that they want to put in additional contributions at a later date. I am surprised at the lack of faith shown by Government Members, including members of the Committee, about the economy recovering. They do not seem to think that it is worth preserving the infrastructure for a future time when it would be possible to put in extra contributions.

I urge the Minister to listen to the words of Phillip Blond and those who have supported his proposals and even at this stage, if the Minister cannot support amendment 1, to consider keeping the infrastructure.

The Financial Secretary to the Treasury (Mr Mark Hoban): As the right hon. Member for Delyn (Mr Hanson) set out in his opening remarks, the amendments in this group, except for the two tabled by the right hon. Member for Wythenshawe and Sale East (Paul Goggins), seek to delay the ending of child trust fund eligibility, or indeed not to end eligibility at all. Amendments 4 to 12 and 17 to 26 would delay the end of child trust fund eligibility from January 2011, either to 2016 or a date set by regulations. Amendments 1 and 36 would mean that child trust fund eligibility did not end at all.

I set out clearly on Second Reading the rationale for ending child trust fund eligibility, particularly for ending it from January 2011. This Government inherited a fiscal position that the Governor of the Bank of England described as "clearly unsustainable", and dealing with it immediately was unavoidable. As hon. Members will recall, my right hon. Friend the Chancellor set out a package of £6 billion-worth of savings in 2010-11 just a couple of weeks after the coalition Government were established. Part of that package was £320 million of savings from the child trust fund this year. A large part of those savings have already been made through the regulations made in July, which reduced contributions at birth and stopped them at the age of seven. Delaying the end of eligibility would reduce the savings that we plan to make by £20 million this year and by around £50 million in each future year that the delay continued.

Those figures assume that the current value of the child trust fund would continue at £50 at birth for most children and £100 for those in lower-income families. Some providers have told us that those values would not be viable for them in the long term, and so some could withdraw from the market. However, if the value of the vouchers were increased, which could be done through regulation, the costs of the delay in ending eligibility would increase too. Either way, the money would have

to be found from somewhere, through other spending cuts, tax rises, or even more borrowing. The Labour proposals would also be confusing for families who understand that CTF eligibility is due to end in January this year, particularly if we were to take the power to set a date through regulations.

I understand the point that the right hon. Member for Delyn made about delaying the end of eligibility until the junior ISA, which I announced on Second Reading, is in place. I am not expecting that to take too long; I hope that the new account will be up and running as early as autumn next year. It will be available for children who are born after the ending of the child trust fund—that is, those born after 3 January 2011.

The hon. Member for Edinburgh East (Sheila Gilmore) said that the trouble with the junior ISA was that it is tax free, but so was the child trust fund, so I cannot see that its essential nature is very different. I do not quite understand her point.

Sheila Gilmore *rose—*

Mr Hoban: I am happy for the hon. Lady to clarify it.

Sheila Gilmore: The point that I was trying to make is that the only incentive given in the junior ISA is that the payer—the parent or grandparent, or whoever is putting in the money—can get tax relief. The child trust fund gave money to the children of families who do not usually benefit from putting money into a savings account that brings tax relief because they may not be paying tax, or paying very little tax, so it is not of such great advantage.

Mr Hoban: The fundamental difference is that under the junior ISA there will be no contributions from the state, whereas in the case of the child trust fund there were contributions from the state. Our intention is to save money in order to cut the deficit—that is why we are ending eligibility for those sums. The junior ISA will be a simple product. The hon. Member for Stretford and Urmston (Kate Green) queried that, but she should remember—to reiterate a point that I made in Committee—that 20 million people have ISAs, 12 million of whom earn incomes of less than £20,000 a year. The ISA is a mainstream financial product that people of all income streams and all ages understand; they find it very easy to contribute to a cash ISA or to an equity ISA.

John Hemming: Perhaps the hon. Member for Edinburgh East (Sheila Gilmore) was slightly confused about whether people get tax relief on contributions to an ISA. My understanding is that they do not. They get it only on contributions to a pension.

Mr Hoban: Indeed, the tax models for ISAs and pensions are different. With an ISA, the income and gains are tax-exempt, which is one of their incentives.

I believe that child trust fund eligibility should end for children born from January 2011, as the Bill provides, and not from any other date. I continue to believe that ending eligibility is the right thing to do. I know that some find that disappointing, but in the middle of the exceptional fiscal challenge that we are facing, it simply does not make sense to continue to spend half a billion pounds a year on giving people money that is locked up until the age of 18. There are more urgent priorities, and the child trust fund is a luxury that we cannot afford.

I wish now to refer to the amendments tabled by the right hon. Member for Wythenshawe and Sale East and the wider points raised in his new clause and amendment that were not selected. I understand his point about looked-after children, who are among the most disadvantaged young people in our society and face a number of particular challenges that mean they need additional support. As he said, we met last week to discuss the matter, and he outlined to me the proposal that he has referred to today. As I said then, I have a lot of sympathy with what he is trying to achieve, and I want to consider the matter more closely. Indeed, I have already written to the Under-Secretary of State for Education, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), to ask his views on the proposal. We will have to consider it carefully, but as I have said a number of times during debates on the Bill, we have limited resources at the moment and there is currently no unallocated funding in the Department for Education budget that could be used for the suggested payments. We would also have to be sure that they were the best use of our resources and gave us the best possible value for money.

As I have said, there is also the question of whether locking up money for up to 18 years provides better value than spending it to support people now, and we need to ensure that we focus resources on our priorities. We will also have to consider what the proposal would leave children with. As the right hon. Member for Wythenshawe and Sale East explained, the provision would not be triggered until a child had been in care for at least 13 weeks, to avoid junior ISA accounts being opened for children who were in care for only a week or so. We know that, thankfully, most children are not in care for long periods. Of the children who left care in 2009-10, about 37% were in care for less than six months. I will therefore wish to consider how many children would receive accounts containing just the £250 Government payment that he suggests, and whether those accounts would necessarily provide good value.

However, as I have said, I am more than happy to continue to consider the proposal with my hon. Friend at the Department for Education, and I certainly commit to maintaining contact with the right hon. Member for Wythenshawe and Sale East. I reassure him that if we do want to move forward with his proposal or something similar, the Bill will not be the right vehicle for doing so. It may be possible to legislate on the matter alongside the provisions on junior ISAs, or even to introduce them without legislation. Not including them in the Bill does not close down our options.

I understood the right hon. Gentleman's points on amendments 51 and 52, which were selected, but there are practical reasons not to accept them. First, as I have said, we are still looking closely at our options, and that may end up making the reports called for in those amendments unnecessary. Secondly, if we wanted such reports to be produced, requiring their completion by the end of 2011 would be too early. By then, child trust funds would only just have stopped being opened, as

[Mr Hoban]

the last vouchers are not expected to expire until well into 2012, and junior ISAs would have been in place for only a few months.

Thirdly, I suggest that even if we did want to carry out the reports that the right hon. Gentleman suggests, we could do so without having them specified in the Bill. In fact, leaving them out of the Bill would provide us with more flexibility on both content and timing.

Paul Goggins: I am very grateful to the Minister for clearly giving very serious consideration to the points that I put to him at our meeting last week. He has clearly weighed them up carefully. I am grateful that he has already written to his colleague in the Department for Education.

The Minister will understand my slight concern that, notwithstanding the fact that he is going to consider my proposals seriously, the Bill will now go to the other place and—in fairly short order, he hopes—become an Act. With the Government's majority, I am sure that will happen. I do not want the focus on the important issues that we have discussed to be lost, so will he make a commitment that as far as possible, they will be addressed as the Bill is considered in the other place?

6.45 pm

Mr Hoban: The right hon. Gentleman will be aware that we are consulting on the design of the junior ISA, and we need to ensure that his points are considered in tandem with that, rather than in the accelerated time scale that it will take for the Bill to go through the other place. I reassure him that I am considering the matter seriously with my hon. Friend at the Department for Education.

The right hon. Gentleman makes important points about looked-after children, and we need to consider them carefully. As he knows, there are other provisions in place to meet the needs of such children, such as a bursary scheme for those who go into higher education, although I regret that not as many do so as we would all like. However, he has made important points both today and in our meeting last week, and I will pursue them with him and with my hon. Friend the Under-Secretary of State for Education. I hope that the right hon. Gentleman will not press the amendments tonight, but that is a decision for him to take. I hope that he will take into account my comments this evening about the approach that I want to take.

On the other amendments in the group, as I have explained, I believe that we should go ahead as planned with ending child trust fund eligibility from January 2011. I believe that the right structure is in place to ensure that children who do not qualify for a child trust fund will be eligible for the junior ISA, even if it is not introduced until late next year. I have made the commitment that any child born after 3 January 2011 will be eligible, and I believe that the for combination of reasons that I have set out—the need to tackle the deficit, the need to save money and the need to put the public finances on to a better, firmer footing—we need to press ahead. I urge hon. Members to oppose the Opposition's attempt to squander yet more money.

Mr Hanson: I am grateful to the Minister for his response to the debate. It is self-evident that I am disappointed with the fact that he wishes to continue to seek the abolition of the child trust fund. I did not expect him to accept amendments 1 and 4, both of which gave him an opportunity to stick to his manifesto commitments and save some remnant of the child trust fund.

I have some concerns about the Minister's responses. I hope to encourage my noble Friends to return to the matter raised in amendment 17, because it is about ensuring that we do not have a hiatus between the abolition of the child trust fund and the establishment of the new child ISA. It simply gives the Minister an opportunity to reflect on the fact that he can delay the abolition for what may be only six or seven months to ensure that he does not have to backdate the child ISA and confuse parents. He can put a product in place and ensure that we know about it by the time of the abolition. I suspect that there will be further debates on the matter in another place, and I hope that amendments will be tabled there to support the aims behind amendment 17.

On the amendments tabled by my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins), I am grateful that the Minister is continuing to discuss what we should do about looked-after children, who are a vulnerable group of individuals. I wish to ensure that he—*[Interruption.]* I hope that the Minister will listen to this point. He has just said to the House that he is in discussion with his colleagues in the Department for Education about how we deal with looked-after children. I am pleased about that, but I remind him that the current child trust fund is a UK-wide facility funded by the Treasury, which applies in the constituencies of my hon. Friends in Scotland and Northern Ireland as well as in mine in north Wales. If he just brings forward an England-only solution with the Department for Education, that will not satisfy my hon. Friends. I hope that he will reflect on the fact that the current child trust fund is a UK-wide provision for looked-after children. My right hon. Friend is trying to ensure that that is what it remains at a relatively low cost to looked-after children and the state. I do not expect my right hon. Friend to press his amendments, but I do expect the Minister, in the context of the discussions that we will have in another place, to look at a UK-wide solution, not a solution that simply involves him having discussions about England with his hon. Friend in the Department for Education.

Paul Goggins: In addition to the points made by the Minister, my right hon. Friend has raised a very serious issue. Any replacement provision for looked-after children would have to be UK-wide to be fair, so his point is clear. I share his thinking on whether I should press amendments 51 and 52 to a vote. When somebody with whom one has a disagreement reaches across and begins to come halfway, one probably does not poke them in the eye just at that moment. I am not tempted to press amendments 51 and 52 to a vote, but my right hon. Friend knows me well enough to know that, the Minister having made the commitment, I will be closely on his tail every inch of the way to make sure that he delivers something for looked-after children right across the United Kingdom.

Mr Hanson: I know my right hon. Friend very well and I know that he will do that. In coming to a solution, will the Minister make sure that it is UK-wide? Will he make sure that it is not based on a postcode lottery, under which one local authority might contribute for looked-after children, while another local authority might not? We want to ensure, at the very least, that we salvage something from this train crash, and that is help and support for looked-after children in our society as a whole.

Based on what the Minister has said, I have no alternative but to press amendment 1, because the abolition of the child trust fund is wrong. Opposition Members believed that it was wrong on Second Reading, we believed that it was wrong in Committee and we believe that it is wrong on Report, so we will press amendment 1 to a Division.

Question put, That the amendment be made.

The House divided: Ayes 218, Noes 297.

Division No. 122] **[6.52 pm**

AYES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Ayes:
Mr David Hamilton and Phil Wilson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James

Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Hugh
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittaker, Craig
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah

Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mark Hunter

Question accordingly negatived.

Clause 2

REPEAL OF SAVING GATEWAY ACCOUNTS ACT 2009

Mr Hanson: I beg to move amendment 2, page 2, line 9, leave out Clause 2.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to discuss the following:

Amendment 13, page 2, line 10, at end insert 'with effect from 1st January 2014'.

Amendment 14, page 2, line 10, at end insert—

'(1A) The provisions in subsections (2) to (5) come into force with effect from 1st January 2014.'.

Amendment 15, page 2, line 36, in clause 4, leave out subsection (2).

Amendment 16, page 2, line 39, leave out 'The rest of this Act ' and insert 'This Act, apart from section 2'.

Amendment 27, page 2, line 39, leave out 'The rest of'.

Amendment 40, page 3, line 1, leave out subsection (4).

Amendment 28, page 3, line 1, leave out from beginning to '3(1)' and insert 'Section'.

Amendment 29, page 3, line 2, leave out 'extend' and insert 'extends'.

Amendment 41, page 3, line 4, leave out subsection (5).

Amendment 31, page 3, line 4, leave out from beginning to '3(2)' in line 5 and insert 'Section'.

Amendment 32, page 3, line 6, leave out 'extend' and insert 'extends'.

Amendment 39, page 3, line 7, leave out 'The rest of'.

Amendment 37, in title, line 1, leave out 'to repeal the Saving Gateway Accounts Act 2009;'.

Mr Hanson: We are in danger of repeating discussions that we had in Committee, but the Prime Minister has said that opposition is an important constitutional duty, and I intend to fulfil it in the next hour on the question of saving gateway accounts.

Amendment 2 seeks to remove the abolition of those accounts by removing clause 2. As ever, and as I said in relation to the first group of amendments, I am trying to be pragmatic. The Minister will note that amendment 13 seeks merely to delay the abolition of the saving gateway until 1 January 2014 to allow him and his officials a period of reflection in which they can examine whether abolition is required.

The saving gateway, which was originally introduced in the Saving Gateway Accounts Act 2009, is important— *[Interruption.]*

Madam Deputy Speaker: Order. One conversation in the Chamber is quite enough at any one time, and the conversation we are supposed to be hearing is the shadow Minister addressing the House.

Mr Hanson: I am grateful, Madam Deputy Speaker. This debate is about how we help poorer people in society and save resources. Of course, that might not interest all hon. Members in the Chamber today, but that is another discussion— *[Interruption.]*

The Saving Gateway Accounts Act was introduced to pave the way for a national scheme. Members will be aware that the saving gateway was to be a cash savings account for those on lower incomes. It was to provide a financial incentive to save, with the Government making a matching contribution for each pound that people saved in the scheme. The saving gateway was first proposed in 2001, after which it was consulted upon and piloted twice. In total, more than 22,000 people took part in the pilots, achieving an additional £15 million of savings. As Members will know, accounts would have run for two years and would have been offered by financial institutions such as banks, building societies and credit unions. The Government would have contributed 50p for each pound saved, which would have been paid at the end of the accounts.

The criteria for opening a saving gateway account were fairly straightforward. If an individual in the community was on income support, jobseeker's allowance, incapacity benefit, employment support allowance, severe disablement allowance or carer's allowance, or if they were on tax credits and their income was less than £16,040 a year, they would qualify for the saving gateway scheme. The objectives of the saving gateway scheme were quite simple: to kick-start a savings habit among people on lower incomes, by providing a strong incentive to save through a matching fund contribution from the Government; and to promote financial inclusion by encouraging people to engage with mainstream financial services.

The pilots, which were successful, were delivered in partnership with the then Department for Education and Skills, with the Halifax bank—now HBOS plc—providing banking facilities. The first pilot ran from August 2002 to November 2004, with individual accounts open for an 18-month period. In the first pilots, about 1,500 people took part, and the scheme covered five areas: Cambridge, east London, Hull, Cumbria and Manchester. People living in those areas were eligible to open an account if they were of working age—between 16 and 65—and had household earnings of less than £15,000 or individual earnings of less than £11,000, or if they were out of work and receiving benefits, as I have described. Individuals in the first pilot were allowed to save up to a limit of £25 a month in the account, up to a maximum of £375 overall, for which they received a pound-for-pound match when the account matured. A final evaluation of the first pilot was produced in March 2005. Based on that pilot, the largest saving gateway pilot was run in the same five locations, as well as in another area, south Yorkshire. That pilot started in March 2005, and the accounts were open for 18 months, as in the first pilot. In total, around 22,000 accounts were opened and the second pilot was opened to a wider income group, including households with incomes of less than £50,000, individuals with incomes of less than £25,000 a year and, similarly, those receiving benefits.

The point of the pilots was to establish whether the scheme would be successful and whether it would meet the objectives that we had set, which were to encourage

[Mr Hanson]

lower-income savers and to ensure that individuals saved resources that they would not have saved previously. The key findings from the pilots were that the saving gateway scheme generated new savers, that new saving was generated among existing savers and that the scheme brought individuals into contact with mainstream financial institutions for the first time. Research from the pilots showed that 60% of participants were still saving regularly two years after they had ended, and that three in 10 participants who were not saving regularly before the pilot were now doing so. Participants were extremely positive about the saving gateway. I quoted in Committee the fact that 98% of people involved in the pilots said that they would open another saving gateway account if offered the chance, while an astonishing 99% would recommend it to a friend.

7.15 pm

In the Budget on 24 March, my right hon. Friend the Member for Edinburgh South West (Mr Darling) announced that the first saving gateway accounts would be available from July, and that Lloyds Banking Group, the Post Office and the Royal Bank of Scotland Group would provide the accounts on a regular basis. Before we touch on the fact that the accounts did not open in July, it is important to refer to the all-party support for the saving gateway account before the election. One of the reasons I wanted to give the Minister a chance to reflect, having had discussions in Committee, was that when the then Saving Gateway Accounts Bill came before the House in February 2009, he said:

"This Bill serves a valuable purpose in encouraging people, particularly those on low incomes, to save. People on higher incomes have an opportunity to smooth out fluctuations in income and expenses to which those on low incomes do not have access. If the Bill is successful in encouraging people to save, it will enable them to create a modest buffer against variations in income, such as the unexpected expense of being laid-off for a short period. It will give people a degree of financial security that they have not had hitherto."—[*Official Report*, 25 February 2009; Vol. 488, c. 323.]

That was the Minister, before the pilots had been completed, saying that he believed that that Bill had merit, that he supported it and that he believed that it would help with some of the difficulties that people on low incomes would face if they lost their jobs. However, it was not just the Minister saying that, but the hon. Member for Taunton Deane (Mr Browne)—now the Minister of State, Foreign and Commonwealth Office—who was then the Treasury spokesman for the Liberal Democrats. On Third Reading, he said that

"it is the equivalent of the share-owning democracy being extended to people in the bottom 10 to 20 per cent. of society. That will bring widespread social benefits if the Bill works out as successfully as we all hope."—[*Official Report*, 25 February 2009; Vol. 488, c. 325.]

The evidence that we took in Committee from those responsible for administering the scheme and for looking at its effectiveness indicated that they had no reason whatever to believe that in the event of a change of Government, which I accept and acknowledge has happened—

Bill Wiggin (North Herefordshire) (Con): That is big of you.

Mr Hanson: I am a realist—the Government have changed—but any realist would say that before the election the Conservative party and the Liberal Democrats supported the then Bill, along with my right hon. Friend the Member for Edinburgh South West, the then Chancellor, and his team, and every other Labour Member. Nothing has changed since except for the change of Government, which has meant that the Minister and the Liberal Democrats have stood on their heads and jettisoned the scheme, which would have been in place in July and would have helped to support the poorest in our society.

Sarah Newton (Truro and Falmouth) (Con): There is another significant change since that time, which is the financial mess that we found we had inherited. This Bill, along with other measures, has to sort out our finances. When the Public Bill Committee took evidence, Carl Emmerson of the Institute for Fiscal Studies said:

"I think that £1,000 at age 18 will improve their life outcomes and will help. I think that the money spent on education or on increasing their family's incomes over those first 18 years is probably going to help more."—[*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010; c. 12, Q23.]

Does the right hon. Gentleman agree?

Mr Hanson: There are two points about that. I do not wish to cause the hon. Lady any difficulty, but I think that her intervention relates to the previous group of amendments, on the child trust fund. We are now talking about the saving gateway account, which is for poorer people. It does not relate to people under the age of 18, and if she looks at *Hansard*, I think that she will realise that she is talking to the previous group of amendments.

However, I should also say that if the hon. Lady thinks that the current financial situation is difficult, I look forward to her supporting amendment 13 in the Lobby, because it would give the Minister time to reflect. Amendment 13 says that we should delay scrapping the saving gateway until 2014. We have had the saving gateway account—which the Minister and the Liberal Democrats supported in opposition and which Labour supported in government—which has had its pilots. The pilots have proved successful, and by any assessment more people have saved, resources have been generated and people on low incomes have learned the saving habit. The Bill abolishes the saving gateway account that was to be implemented in July this year, until the Minister put that on hold.

Two amendments are the focus of the debate. Amendment 2 would delete clause 2, so that the saving gateway account would not be abolished. However, I am being pragmatic, and I tabled an amendment to abolish the saving gateway account on 1 January 2014. That would provide a three-year gap in which the Minister could, as the hon. Member for Truro and Falmouth (Sarah Newton) said, look at the economic situation and assess whether the financial contributions are practical and desirable. I happen to believe that they are, and that the scheme is affordable now, but I will park that debate for the moment, and simply tell the Minister and the hon. Lady that if they accepted amendment 13, they would accept minimal cost, if not almost no cost, to the Treasury. All that would be abolished, effectively, is the pilots, and their assessment.

The saving gateway scheme has not started, and there would be no financial contribution to it because it did not commence in July 2010.

The Minister could accept amendment 13 and not commence the scheme next year. He could accept it and not commence it in 2012, or 2013. He could make an assessment in 2014 of the principles that he espoused in Opposition with his hon. Friend the Member for Taunton Deane—that the scheme is a positive one that brings benefits. If the economic situation improves during those three years—the Minister presumably believes it will as a result of his other economic policies—he could consider returning to the saving gateway scheme without repealing the Saving Gateway Accounts Act, which is what the clause will do, and end any possibility of the scheme being introduced.

I am offering the Minister an opportunity. He need not abolish the scheme, but could reflect on it. He could delay its commencement until 2014, and not rip up a scheme that he supported in opposition, and on which valuable work was done in five areas in the first pilot, and in those areas plus south Yorkshire in the second pilot.

The Minister has a duty to explain why he believes the scheme should not progress now. If the reason is finance, amendment 13 provides the opportunity to reflect on that. The Opposition would swallow our pride and support him in not having the saving gateway scheme starting this year, next year or the year after. That would be a big step for us, but we might consider it if he would accept amendment 13.

Bill Esterson: Is not the truth about the Government's position on the saving gateway that if they were serious about using it as part of tackling the deficit, as the hon. Member for Truro and Falmouth (Sarah Newton) said, they would support amendment 13 and delay repeal of the 2009 Act, because improving the financial habits of people from the poorest backgrounds is part of what the coalition Government say is their solution to the country's financial problems?

Mr Hanson: I thank my hon. Friend for his intervention. He emphasises that amendment 13 would not cost the Government anything. If it cost anything, it would be a minuscule amount to maintain the scheme because it has not yet started. The Minister froze it, and said that he would not start it in July 2010, as planned by the previous Labour Government. All the expense to date has been on the pilots in phase 1 and phase 2. I remind him that the legislation had his support and that of his hon. Friends the Liberal Democrats without a vote on Third Reading, and with warm words being spoken by them in Opposition. The situation now—it is self-evident to my hon. Friends—is that we have a scheme that is on the statute book and that has been successfully piloted but has not commenced. Amendment 13 gives the Minister the opportunity to delay its commencement until at least 1 January 2014.

If the situation improves and the Minister's economic policies ensure that we tackle the deficit, build a strong economy, recoup our money from Ireland and consider all the issues that we have talked about during debates on the economy over the past few months, he will be able, if he wants, to go back to his electorate in Fareham, Truro, Falmouth and everywhere else and say, "Not only have we helped to tackle the deficit, we have not hit poor people in doing so." He will have secured a scheme that he can continue to implement because he will be able to repeal the 1 January 2014 date later. Presumably, both the Liberal Democrats and the Conservatives thought that it was a good thing in February last year, or they would have voted against it on Third Reading, and would not have used such warm words to describe it from the Opposition Dispatch Box.

Sarah Newton: I agree that the coalition definitely wants to enable people to make better financial decisions, and I am sure that the Minister will detail all the ways in which we plan to do that, but I want to bring the right hon. Gentleman back to the evidence that we heard about the saving gateway from the Institute for Fiscal Studies:

"There was not any really strong evidence from the saving gateway that it led to more overall saving from lower-income households."

I could go on. There is not the strong evidence base that the right hon. Gentleman refers to.

Mr Hanson: That is not what the pilots showed. They showed that there were new savings, engagements and increased resources. Does the hon. Lady believe that, at no cost, we could maintain the saving gateway on the statute book, allow it to develop for the next two to three years, and not abolish the scheme until 1 January 2014? If she voted for amendment 13 tonight, she would vote not to spend any money or to start the scheme but simply to say, "Let's note the pilots that have taken place and that the legislation is on the statute book, but let's not repeal it until a future date."

That option would allow the Minister to accept the amendment and reflect on the matter. I remind him that not only did he and the hon. Member for Taunton Deane support the measure in February, but nowhere in the coalition agreement or at the general election was there a manifesto commitment to abolish the saving gateway account—*[Interruption.]* The hon. Member for Birmingham, Yardley (John Hemming) asks whether it was in our manifesto. No, it was not. The Minister knows that it was not in his manifesto, but it was certainly in ours to maintain if once it had started.

We heard warm words about the scheme before the general election, no words about its abolition during the election and no manifesto commitment to do so. We have had successful pilots, and there is an opportunity tonight for me to put aside my wish for it to start in July and to ask the Minister not to abolish the scheme now, but to reflect on it and allow it to stay on the statute book. If it is a good scheme, as it presumably was in February and at the election, the Minister could return to it in the future and decide whether the Government can afford to contribute to it.

The pilots showed that the scheme increased poorer people's savings. They were successful, and I hope that the Minister will not throw it out and stand on its head what he said in February 2009. He has had plenty of other opportunities to do that.

7.30 pm

Paul Maynard: I welcome this opportunity to express my views on the concept of saving gateways. I listened with interest to the shadow Minister expressing his

[Paul Maynard]

desire to save them for the future, but in his defence he missed some of the key pieces of evidence that we heard in the Bill Committee. I should like to remind him of some of that evidence. Adrian Coles, director general of the Building Societies Association, told us:

"No building society had committed to offering a saving gateway".

Eric Leenders, executive director of the British Bankers Association, said that there were

"only a couple of providers who felt that it was suitably beneficial for them to provide the account". [*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010; c. 34, Q98.]

The Post Office would participate only if provided with taxpayers' subsidy. It will cost £300 million to continue with the scheme.

There was a great deal of debate in Committee about the possibility of the fourth link in that chain being credit unions, and I pay tribute to the hon. Member for Makerfield (Yvonne Fovargue) for her assiduous advocacy of their cause. In a way, she was quite right. I was impressed to hear how many credit unions there were in Makerfield. I think she said that there is one at the end of almost every street, or certainly within walking distance for most of her constituents. We have a very successful one in Blackpool, too, but they would not be available for this purpose in the many parts of the country where the credit union movement has yet to implant itself fully, so we would be left with the kind of postcode lottery against which the shadow Minister was fulminating in the previous debate. We cannot have it both ways.

Bill Esterson: The hon. Gentleman describes a lack of credit unions in certain parts of the country, which is precisely why the opportunity to have the saving gateway is so important. Does he not appreciate that Government input into helping lower-income families to save is exactly what is needed to provide the necessary impetus?

Paul Maynard: Unfortunately, the hon. Gentleman's point was not borne out by the evidence of Mark Lyonette of the Association of British Credit Unions Ltd. He was quite clear when he said of the saving gateway:

"None of the credit unions built their business plan around it, so I don't think its withdrawal is a threat to the health of credit unions." [*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010; c. 52, Q149.]

It is important to ensure that we give credit unions what they want, and that is why we are seeing reforms to the Credit Unions Act 1979 enabling them to work with more than just individuals—they will now be able to work with interest groups, social enterprises and the like. We should not therefore allow the Opposition's statement that credit unions have to be involved to obstruct the fact that this scheme will cost £300 million to continue. This might cause some Opposition Members to roll their eyes and shake their heads, as they did earlier in response to my hon. Friend the Member for Truro and Falmouth (Sarah Newton), but we are now living in a very different fiscal situation. The shadow Minister was quite right: the Government have changed, and we now have to take tougher financial decisions. We cannot justify spending £300 million on a saving gateway that will not be universally accessible across the country because there simply are not enough commercial providers willing to provide it. This is not a debate about a group hug, or about trying to encourage everyone to save more. We all know about those things.

I have been delighted to hear the hon. Member for Makerfield talk about Brighthouse, of which there is a branch in my constituency. I almost thought that she must have sneaked into my surgeries, because her tales about her voters' problems with Brighthouse were the same as mine. However, I do not think that the saving gateway is the answer to the problems that many poor people face in getting access to cheap credit. It is not the answer to the problems we have been discussing. It fails the test that I raised on Second Reading—a test that I call my rhododendron test. The Opposition have a tendency to fixate on a single item of legislation that they believe will somehow solve all the problems in the world, but I am afraid that the saving gateway, however popular the pilots might have been, has not been popular enough with the providers that we need to ensure its success. That is why I support the Government's decision to remove the scheme.

Yvonne Fovargue: I want to talk about the abolition of the saving gateway and the disappointment felt not only by the putative savers but by the credit unions, which thought that it would have a massive impact on the sector. The credit unions put a large amount of time and money into designing and introducing their product because they believed that the scheme had cross-party support. While matching the money is important in incentivising savings, it is not the only factor involved; in fact, it is not always the most important factor in influencing people to save. As we have heard, ease of access to a financial institution cannot be overstressed, and to use the existing credit unions at the heart of the community and to encourage the growth and development of the sector via this product was seen as vital. Indeed, Mark Lyonette said that encouraging people to save with credit unions was the issue. People are used to credit unions giving out loans, but the important thing is to provide them with products that encourage people to save.

The message that has been endorsed by the Government via the scheme is that even a small amount of savings matters, and that cannot be overstated. Most people do not deliberately set out to be in debt, but life events—such as the loss of a job, accidents, disability or even something as simple as the cooker breaking down—can cause debt. A small amount of money saved can act as a buffer, and people can then feel more in control and have more confidence. The value of that feeling cannot be overestimated.

It might be conventional wisdom that people should pay off all their debts before they start to save, but I take issue with that, as do people from the credit unions. As I said, events happen. The washing machine might break before someone has paid off the cooker, and if there is nothing to fall back on, the spiral of debt gets faster and deeper. That is when people turn to the legal loan sharks who charge more than 2,000%, or the actual loan sharks who prey on the vulnerable who have no resources. It is vital to provide a mechanism to remove people from the spiral of debt and make it easier to save. We know that people want to save for such events.

Otherwise, why would so many people have saved with Farepak, a scheme that they believed was safe? If we could provide a trusted, easily accessible, local savings vehicle to encourage saving, we would prevent a considerable amount of human misery as well saving the health service a considerable sum for the treatment of depression and, in some cases, attempted suicide due to debt. A small amount of investment now could prevent a huge amount being spent later, and I urge the Government to reflect on that.

John Hemming: The Government have to look at what can be done when resources are limited. It is generally accepted that we need to enable people on lower incomes to save, and access to bank accounts and credit unions are important in that regard. We had an evidence session in Committee, which was quite useful. The Institute for Fiscal Studies has no axe to grind in this regard, but its acting director, Carl Emmerson, said that

"perhaps the £115 million should just be spent on boosting the incomes of these individuals."

I then asked him:

"Or potentially on a system with more crisis loans?"—[*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010; c. 19, Q47.]

His response to that question was yes.

There is no question but that people need to balance their costs when they have to replace a washing machine, for example, and need the resources to do that. There is an issue there, but the Government need to look at the best way of helping people in those situations.

Fiona Bruce: The Government are not leaving people entirely bereft of support, are they? Next spring, the new national financial advice service will be introduced, which will make available to everyone who needs financial advice—not just those in education—real support to ensure that they make the best financial plans for their families.

John Hemming: Indeed. The difference with this particular scheme was that it was to provide a way of matching funds that people put into their savings. If we go back to the evidence session, we find that the Institute for Fiscal Studies was asked whether it thought the child trust fund did no harm; in fact, it showed that this particular scheme had the potential to do harm by encouraging people to put money into the savings account rather than pay off the debt at the time. The Royal College of Midwives said that if people have just had a baby, it is better for them not to save money, but to spend it on healthy living and feeding the baby well. I believe that this is where the Opposition are fundamentally wrong. According to the IFS—again, I stress the IFS rather than the Government or the previous Government—there was no strong evidence that greater saving was encouraged.

Mr Hanson: I would be grateful if the hon. Gentleman could tell us why the Minister of State, Foreign and Commonwealth Office, his hon. Friend the Member for Taunton Deane (Mr Browne) supported the scheme prior to the election, did not oppose it during the election and did not vote against it on Third Reading?

John Hemming: We need to find some way of reducing this country's borrowing. We do not want to end up like Ireland or Greece. If, on looking around, we find something that costs £115 million—

Mr Hanson: Why not support amendment 13 to delay the abolition for three years and see whether the economy picks up?

John Hemming: If there were an amendment to say that we should delay it until it is instituted by order, I would find that more reasonable, but I do not think we should set a date in the future. If there is not sufficient independent evidence that this scheme achieves a result and there are good arguments to show that there are better ways of helping people in these circumstances, I would press the Government to consider them and work with organisations such as the credit union movement to ensure that everyone has access to accounts, is encouraged to balance out their financial positions and gain wider access to crisis loans.

Bill Esterson: The hon. Gentleman did not answer the question about why there was such a change of heart. When the figures came out after the election, they showed that borrowing was £20 billion lower than had been assumed before the election. That could not have been the reason for the change of policy.

John Hemming: The hon. Gentleman ignores the fact that there was a sovereign debt crisis in Greece and that we need to learn from circumstances. If we do not do so, we will face great difficulties. We have a saving of some £100 million-plus on a scheme viewed by independent experts as not being the best way to use that money. There is no independent evidence that it even achieved its objective, save perhaps for reducing the amount of money people spent on restaurant bills when eating outside the home or on takeaways. That is what the IFS drew our attention to at the evidence session. If we are serious—and we are—about ensuring that the Government keep the interest rate on sovereign debt down so that we avoid ending up with the problems of Greece or Ireland, we must take that into account.

Yes, I accept there is a job to be done: we need to look after people on lower incomes and ensure that they have access to funding systems so they can balance their finances when they incur higher expenditure. We also need to encourage people to save where appropriate, but it is not always appropriate to do so. As I mentioned, the Royal College of Midwives said that a mother who has just given birth should not be concentrating on saving all her money; she needs to focus on eating well. On that basis, the proposals represent an entirely sensible and reasonable way of reducing the amount of money that the country has to borrow.

Sheila Gilmore: First, the selection of evidence we have heard from the Committee sittings is very limited, particularly from the hon. Member for Birmingham, Yardley (John Hemming). Other people giving evidence explained exactly how helpful the saving gateway scheme had been in its pilot phases and could be in the future. Mark Lyonette of the credit union movement said how important saving was, not only because of the money actually saved, but because of

"what it does to people's confidence that they have... a few hundred pounds built up over a year or two. It gives them some sense that they are more in control. They will have credit commitments

[Sheila Gilmore]

at the same time, but it is really important to feel that there is something of a buffer. Whether through the savings gateway or some other initiative, we think that the Government can encourage—and needs to encourage—more people to get that better balance between what savings they have, however small, and their credit." [*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010; c. 49, Q143.]

Yes, he also said that the saving gateway was not the only way to generate savings for the credit unions, but when asked whether it would make an important contribution he said "Yes, absolutely," it would.

I did not quite understand the rhododendrons reference of the hon. Member for Blackpool North and Cleveleys (Paul Maynard), but he seemed to suggest that we believed that a scheme like this was "the answer" to deprivation and poverty. That is obviously nonsense. We are not suggesting that and we never have suggested it. It is one part of a whole jigsaw of provision that has to be put in place. It is that part of the jigsaw that needs to look forward to two things: first, questions of asset inequality; and, secondly, long-term solutions where people begin to change their behaviour and build up some assets for themselves.

7.45 pm

It is important that we start looking to the long term. What worries me about the response from the coalition Government to this Bill is that it is very short term. The response is in effect, "Let's get rid of this now. We'll make some savings. We'll destroy some schemes." Both this group and the earlier group of amendments are about looking at issues in the longer term. If we do not start doing that, we are never going to get to the point where we properly tackle poverty and deprivation. It is not that saving gateways are suddenly the answer to everything; they are simply one mechanism that would assist in tackling the problem.

The important part of assisting is not just to give people advice. There is a great deal of advice out there, and there needs to be more of it—I certainly would not disagree with that—but this scheme, because of the matching in it, is about giving people practical help and incentives. It is qualitatively different from giving people advice at school or through an annual health check on their finances, when they can tell the financial adviser that there is no money. That would not be particularly fruitful for a lot of families. This is a practical scheme. It is about matching saving; it is about incentivising saving.

Stephen Williams (Bristol West) (LD): The hon. Lady is dismissive of the importance of advice, good numeracy education in schools and an understanding of money. Proper budgeting and gaining an understanding of how to spread what I accept are limited means—I agree that this Government desperately need to deal with poverty in this country—are important; she should not be so dismissive of the importance of advice and good numeracy education in schools.

Sheila Gilmore: I was not being dismissive of advice; I said that it is not enough in itself. To suggest that it can be a substitute for something like the saving gateway is to miss the point—the real nudge, or the real incentive, that comes from the matching.

It has been suggested that there were not enough outlets for people to use the saving gateway, but the housing association movement was very interested in it and had a great deal of discussion about how it could become, in effect, a front end for people who wanted to save through the saving gateway scheme.

Bill Esterson: Does my hon. Friend agree that although advice and budgeting are important, one problem in society is the lack of good financial education? For people on very low incomes, it is difficult to find a means of saving. That is the whole point about the saving gateway and credit unions; otherwise, there are not the accounts or mechanisms for people on low incomes to save.

Sheila Gilmore: Indeed; I agree with my hon. Friend.

My point about the housing association movement is that the people who say that there are not enough outlets to make the saving gateway really work are not sufficiently prepared to look at some of the things that already exist. I firmly believe that we could have built the scheme up. If tenants could have agreed to small savings being taken at the same time as they paid their rent, for example, which would then be passed over to the provider—whether it be a credit union or another organisation involved in the saving gateway—that would have provided a relatively straightforward and easy-to-access method for those tenants. Housing associations, which see themselves as having a wider role than simply being a landlord, felt that this would have been helpful for their tenants.

We hear so much of "We have to do this because of the deficit." We are told by the coalition Government, "We had to change our minds about all these things"—in fact, both Government parties did not support all these proposals, although they did support the saving gateway scheme—"because of the financial situation." We have two different views about how to get out of a recession. The Government parties did not just want to pay down a deficit which they suddenly claim not to have known about before, although they did know about it and, as was pointed out by my hon. Friend the Member for Sefton Central (Bill Esterson), it had in fact been falling. They decided to reduce that deficit speedily, within five years, regardless of the consequences. There is another choice, although the Government may not agree with it.

The Government say to us, "You cannot support child trust funds or any of the other measures involved, because if you do, you will not reduce the deficit." That is not the case. We take a different view on the economy. Our view is that the deficit should be reduced far more gradually. That was also the clear view of the Liberal Democrats as recently as late April: they said that fast cuts would be exceedingly dangerous. I do not see what has changed since then.

Ireland has been mentioned yet again. It cut public sector salaries and services, and it cut very hard. Indeed, only a few months ago it was being set up as a model in that regard. However, it has not got itself out of its financial difficulties.

We believe that if we reduced the deficit more slowly, two things would happen. First, we would be able to make choices about the things that are important, and I believe that the saving gateway would be one of them. Secondly, if we did not cut so drastically, unemployment

would not be as high, which would mean more money for the Treasury, and we would not have a growing deficit problem. I firmly believe that if we proceed with the Government's proposals the deficit will not be reduced as fast as they would like, despite the cuts, and it may actually increase.

We believe that those choices exist, and that the saving gateway is important because of the advantage that it brings to low-income families. It represents a long-term and real effort to change behaviour and improve the circumstances of such families, and that is why we want to retain it.

Mr Hoban: The speech of the hon. Member for Edinburgh East (Sheila Gilmore) was remarkable. It appears that only one group taking part in international debates is suggesting that we should be less aggressive in tackling the deficit and should put ourselves at the mercy of international markets, and that group is the Labour party. Surely the one lesson that should have been learned from our current circumstances is that a credible plan is needed to tackle the deficit, but Labour lacks that credible plan.

Sheila Gilmore: Many economists share our view, including Joseph Stiglitz and David Blanchflower. It is not true to suggest that it is only the view of the Labour party. There are different views, and it is entirely legitimate for people to hold different views, but it is simply not true that no one shares our view that reducing the deficit too rapidly is dangerous.

Mr Hoban: If the hon. Lady reads the comments of international organisations such as the OECD, the International Monetary Fund and the European Union, and those of rating agencies such as Standard & Poor's, she will find that mainstream opinion agrees with the Government about the need to take action now to tackle the deficit in order to avoid the crises that we are seeing elsewhere in the world. All that we hear from the Labour party is "Let us delay the difficult decisions. Let us go into the election with the structural deficit, and try to deal with it in four or five years' time rather than now." That has been the theme of Labour Members' contributions throughout our debates on the Bill. They have denied the need to tackle the deficit now, and have ignored the lessons that are being presented all around us.

Bill Esterson: Will the Minister give way?

Mr Hoban: Let me make some progress and explain why we are repealing the Saving Gateway Accounts Act 2009. The repeal is part of our deficit reduction policy. The right hon. Member for Delyn (Mr Hanson) quoted from my Second Reading speech. It was the third time that I had heard him use the same quotation. Let me now, for the third time, expand a little on what I said on that occasion. I said:

"The pilot scheme demonstrated some benefits, but it demonstrated some challenges too... What are the long-term benefits? What are we getting in return for the quite generous bonus that we are giving to savers?.. In the second pilot, questions were raised about whether the scheme was effective... First, there was no statistically significant evidence that, in delivering genuinely new savings, the saving gateway accounts delivered higher overall net worth."

I referred to a

"number of anecdotes, rather than hard evidence, used to support the proposal",

and added:

"It appears that money was moved from one set of savings to another, perhaps from a current account to a savings gateway account, simply to secure the Government match."—[*Official Report*, 13 January 2009; Vol. 486, c. 145.]

While accepting the principle behind the saving gateway account, we nevertheless flagged significant concerns about its effectiveness.

The right hon. Gentleman mentioned the pilots. According to the conclusion from the second pilot,

"when we look at a broader measure of net worth (including investments as well as all cash deposit accounts), there is no statistically significant evidence that funds held in these forms have increased... we nevertheless do not find statistically significant evidence of an increase in overall net worth among this group."

Carl Emmerson said in his evidence to the Committee:

"There was not any really strong evidence from the saving gateway that it led to more overall saving from lower-income households."—[*Official Report, Saving Accounts and Health in Pregnancy Grant Public Bill Committee*, 2 November 2010; c. 18, Q42.]

Given the fiscal constraints that we face, we must question the value for money to be obtained from this project. It would be nice to be able to proceed with it, but the evidence suggests that it does not increase saving and does not possess the benefits ascribed to it by Labour Members. Not only is the evidence of its effectiveness in question, but it would cost more than £300 million over the next five years, which makes it unaffordable in the light of the need to reduce the deficit.

The other strand of the argument, touched on by the hon. Member for Makerfield (Yvonne Fovargue), is access. Who would be able to gain access to the saving gateway account? My hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) echoed Adrian Coles, the director general of the Building Societies Association, who said that

"no building society had committed to offering a saving gateway account".

Eric Leenders of the British Bankers' Association said

"there were only a couple of providers who felt that it was suitably beneficial for them to provide the account."

The banks that said they would provide accounts were Royal Bank of Scotland and Lloyds. The Post Office would take part in the scheme only if it received more taxpayers' money.

I do not think we would have seen the easy access that the hon. Lady believed to be a key part of the scheme's attraction. The only credit union outlet in my constituency is in a deprived area, and is open for only a short time each week. In my constituency, credit unions would not have been a vehicle for access to the saving gateway account.

Given that we do not intend to proceed with the scheme, we should leave no room for uncertainty among financial institutions or advice-giving bodies, and the best way in which to be clear about our intentions is to repeal the 2009 Act. I believe that if a future Government revisited the scheme, they would design it very differently. If the right hon. Gentleman wishes to press his amendment to the vote, I will ask my hon. Friends to oppose it.

Mr Hanson: I am disappointed by the Minister's response, but that is the nature of the role that I currently fulfil. He did not oppose the saving gateway in

[Mr Hanson]

opposition or in the general election; he did not vote against Third Reading of the Saving Gateway Accounts Bill; and he could have taken the opportunity today to accept the amendment enabling him to delay the repeal of the Act until a later date in order to judge how the economic situation developed. I have to assume that he says one thing in opposition and another in government, and that he is abolishing the scheme on the basis of dogma rather than the economic situation. I urge my hon. Friends to reject clause 2, and to support the amendment.

Question put, That the amendment be made.

The House divided: Ayes 197, Noes 300.

Division No. 123] **[7.59 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David

Tellers for the Ayes:
Phil Wilson and Graham Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm

Buckland, Mr Robert
Burley, Mr Aidan
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Clifton-Brown, Geoffrey
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mr Robert Goodwill

Question accordingly negatived.

Mr Deputy Speaker (Mr Lindsay Hoyle): I call Mr David Hanson to move the next amendment.

Kerry McCarthy (Bristol East) (Lab) *rose—*

Mr Deputy Speaker: Sorry. I call Kerry McCarthy.

Clause 3

REMOVAL OF ENTITLEMENT TO HEALTH IN PREGNANCY GRANT

Kerry McCarthy: I beg to move amendment 3, page 2, line 22 leave out Clause 3.

Mr Deputy Speaker: With this it will be convenient to discuss the following:

Amendment 42, page 2, leave out lines 26 and 27 and insert

'(2) The Treasury will conduct a review of the health in pregnancy grant, to be concluded by 1 January 2012, which will consider, inter alia, the case for

(a) the health in pregnancy grant to be retained in its current form;

(b) the health in pregnancy grant to be means-tested or in other ways targeted towards those most in need; and

(c) the health in pregnancy grant to be replaced by a system of vouchers.'".

Amendment 44, page 2, line 27, leave out '2011' and insert '2014'.

Amendment 43, page 2, leave out lines 31 and 32 and insert

'(2) The Treasury will conduct a review of the health in pregnancy grant, to be concluded by 1 January 2012, which will consider, inter alia, the case for

(a) the health in pregnancy grant to be retained in its current form;

(b) the health in pregnancy grant to be means-tested or in other ways targeted towards those most in need; and

(c) the health in pregnancy grant to be replaced by a system of vouchers.'".

Amendment 45, page 2, line 32, leave out '2011' and insert '2014'.

Amendment 34, page 3, line 1, Clause 4, leave out 'Sections' and insert 'Section'.

Amendment 30, page 3, line 1, leave out from '1992)' to 'extend' in line 2.

Amendment 35, page 3, line 4, leave out 'Sections' and insert 'Section'.

Amendment 33, page 3, line 5, leave out from '1992)' to 'extend' in line 6.

Amendment 38, in title, line 2, leave out from '2009;' to 'and' in line 3.

Kerry McCarthy: I am sorry for not notifying you in advance, Mr Deputy Speaker, that my right hon. Friend the Member for Delyn (Mr Hanson) and I would be job sharing on Report.

We had a reasonably comprehensive debate in Committee on clause 3, which deals with the abolition of the health in pregnancy grant, although not as comprehensive as we would have liked. The Minister did not provide as much explanation as we would have liked on why he and his Government colleagues felt compelled to rush into axing the grant without sufficient evidence that it is not achieving the purposes for which it was intended. Amendment 3 would therefore delete clause 3, the grant would continue and we would have more time to assess whether it improves maternal health and nutrition, and the health of the unborn child and the child once it is born, and whether it achieves the important aim of getting expectant women to access professional advice during pregnancy.

I do not have time to rehearse in full the arguments in favour of such intervention during pregnancy. In Committee, we heard compelling evidence from witnesses of the health benefits for mother and child of tackling poor nutrition. We heard statistics about how many parents worry about not having enough money to feed their families and how many people on low incomes do not have enough money to provide healthy nutritious food. That can be seen in research carried out by organisations such as the Joseph Rowntree Foundation on what sort of household income would be sufficient to provide a healthy diet. Witnesses also told us of the importance of the grant as a nudge towards changing behaviour—the Prime Minister has been a keen advocate of such nudges in the past. By giving the grant and, in particular, by making the payment conditional on accessing advice on nutrition during pregnancy, we have encouraged expectant mothers who perhaps were not completely au fait with nutritional issues to start thinking about them, to access advice on health during pregnancy and to start on the road towards changing their patterns of behaviour. The scheme was in place for only a couple of years, so there was nowhere near enough time to assess its impact, but we heard evidence that it could help break generational cycles of poor nutrition, poor health, birth defects or even mortality during childbirth.

8.15 pm

We heard other evidence about whether intervening earlier and paying the grant at 12 weeks rather than at 25 weeks would be a better approach, but we have not tabled amendments to that effect because we debated it extensively in Committee. I know that the Minister will probably say that there is little or no evidence that the scheme has done what it set out to do—the Government have also argued that in respect of the child trust fund and the saving gateway pilots. The simple answer to that is that the Government do not have any evidence that it does not work, because they simply have not given it time to roll out. The Conservative party element of the Government went into the general election seemingly happy that the health in pregnancy grant would continue. I concede that the Liberal Democrats are honouring their election commitment to scrap the grant and so are being consistent—they are wrong, but for once they are being consistent.

I shall now deal with the more detailed amendments tabled by the Labour Front-Bench team. Amendment 42 calls for a year's moratorium on the abolition of the grant while a full review of its benefits is carried out. Such a review would consider the advantages and disadvantages of retaining it in its current form; of means-testing it or otherwise targeting it towards those who are deemed to be most in need and who would benefit the most; or of replacing it with a system of vouchers.

I stress that our preferred option is retaining the grant in its current form, but throughout the Bill's progress through the House and in Committee two main criticisms have been made by the opponents of the grant. The first is that, as a universal benefit, it goes to those who do not need it and the money could be better spent on those who do. The second is that, because it is

given as a direct payment with no restrictions on how it should be spent, it could be spent on frivolities. That is said despite the evidence we heard from child poverty groups, not only in this instance, but in general throughout the debate on child poverty. They suggest that the vast majority of women trying to get by on very limited incomes will spend any modest additional resources wisely and well, doing so for the benefit of their child or, as in this case, their unborn child. Some said on Second Reading that women could not be trusted, which is why we included as an option for the review consideration of whether a voucher scheme would be a better use of money.

Amendment 46 also calls for a moratorium, although it does not propose a time scale, while the Treasury—assisted, I would imagine, by the Department of Health or the Department for Education—conducts a review of current provisions for expectant and new mothers. That would include looking at other options on the table; it would consider not just the health in pregnancy grant, but the way in which it overlaps and interlinks with the Healthy Start scheme and the Sure Start maternity scheme, which is also being rolled back. That would give us the opportunity to examine whether those schemes are a more effective way of achieving what the health in pregnancy grant was designed to achieve.

Amendment 44 suggests postponing the abolition of the grant until 2014 and is, thus, self-explanatory. That would give more time for a proper assessment to be carried out on the experience of and health outcomes for people who have received the grant, and, more importantly, had access to the advice on maternal health which has accompanied the money.

That leads me to the last of the amendments tabled by those of us on the Opposition Front Bench. Amendment 49 calls again for a one-year moratorium during which the Government will consider how we can ensure that more women have access—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. May I suggest that we stick to the amendments that are selected for discussion now? Amendment 49 is not on the selection list and nor are some of the other amendments. If we could stick to the list, I would be very grateful.

Kerry McCarthy: Sorry, Mr Deputy Speaker. I assumed that they had all been grouped together.

Let me make a general point that links back to amendment 3 and the need to retain the grant. This is not just a matter of putting the £190 into people's pockets so that they can spend it either on improving their diet during pregnancy or on items that they might need when the child is born. We need to bring people in so that they access professional health advice at the 25th week of pregnancy or, as we have debated, earlier in pregnancy. That is really important and there is nothing to replace it. The Government seem to have no suggestion on how to bring people in through the door and ensure that we increase the number of women who access such advice if the health in pregnancy grant is not used as a trigger mechanism. If the Government will not accept amendment 3 or any of the other amendments that call for more time and a review of how the grant works, will the Minister at least tell us how we can ensure that more women access professional advice on their health and the health of their unborn child during pregnancy? The grant was designed to tackle a serious issue and it is being abolished in its early stages. It is a shame to abandon the project at this stage.

Paul Maynard: Thank you, Mr Deputy Speaker, for giving me the opportunity to speak about the health in pregnancy grant, which of the three items covered by the Bill caused the most consternation in Committee and on the Opposition Benches. It certainly appeared to cause confusion in the Opposition's arguments.

I have noted even today that there has been a slow, gradual erosion in the totalitarian position taken early on by the Opposition that the health in pregnancy grant was the most wonderful thing imaginable and could not possibly be trampled on. There has been a gradual slip back and quite a few Opposition Members have claimed that the grant was somehow misnamed and that, had they only called it something different, it would have all been all right. I must take them back to what the previous Prime Minister said when the grant was introduced. He said that he had received "powerful representations" about the

"importance of a healthy diet in the final weeks of pregnancy".

He was very specific. He said the "final weeks of pregnancy"—not early in pregnancy, halfway through, in the 12th week, in the first week, or in the 25th week. The grant was well named, because it did precisely what the previous Prime Minister intended it to do.

The debate is not about the benefits of maternal nutrition, either. Everybody in the House agrees about the importance of proper maternal nutrition, but, clearly, we are divided on how that is best achieved. The Government do not believe that the health in pregnancy grant is the way to do it.

The debate is certainly not about timing. We have a range of alternatives: the Healthy Start vouchers, the maternity grant, and the Sure Start facilities. The shadow Minister, the hon. Member for Bristol East (Kerry McCarthy) focused in particular on access to health care advice. I entirely agree with her about that, but she cannot avoid the fact that the Healthy Start vouchers are linked to attendance with a midwife.

Furthermore, the idea of the health in pregnancy grant was to provide access to health visitors, but one of the previous Government's innovations that I wholeheartedly approve and wish to build on is the family nurse partnership schemes that operate in about 50 different councils. They specifically offer the access to advice for the most vulnerable that the hon. Lady was talking about. I simply do not understand her obsession with the health in pregnancy grant as the sole mechanism through which we can access advice. There are already multiple pathways to that advice—pathways that are more successful. I even think that there is a family nurse partnership in Bristol. Such schemes target the most vulnerable in society from the moment of conception until well past birth. This is far more expensive, I accept, but that is because it is a targeted intervention.

I do not accept the hon. Lady's argument that we need to retain the health in pregnancy grant because it gives access to health advice. It is not the sole pathway for that.

Kerry McCarthy: The hon. Gentleman mentioned the family intervention project, and he is right that it does some valuable work—including some valuable work

[Kerry McCarthy]

in Bristol. Does he have any idea how many families receive that advice and how many have been brought within the scheme compared with how many people would have received advice through the health in pregnancy grant?

Paul Maynard: It is actually called the family nurse partnership, but I assume that we are talking about the same thing. I know that in Blackpool it has worked with about 200 families in the past year. The numbers are clearly far fewer than those who could access the health in pregnancy grant, but once again the hon. Lady is returning to the debate that we have had over and over again about the universal versus the targeted.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): Does my hon. Friend agree that the difference with schemes such as the one in Bristol that he and the hon. Member for Bristol East (Kerry McCarthy) mentioned is that they can show tangible results, whereas the health in pregnancy grant can show no tangible evidence of how it has been beneficial?

Paul Maynard: I agree entirely. That is a very fair point. It was never clear whether the Opposition believed in universality or targeting. It seemed to depend on which amendment they happened to be pressing at any moment in time. It was part of the incoherent approach that they seemed to have to the debate.

The previous Government never tackled the issue of how it took up to eight weeks merely to process a health in pregnancy grant claim. The money often came through not in the 25th week but in the 33rd week—well beyond the time at which there was any hope of achieving real dietary change.

I specifically tackled the hon. Member for Bristol East on the issue of usefulness versus effectiveness. When she said in Committee that this was a useful grant, I asked her how she defined useful. She mentioned access, which I have dealt with, but never really dealt with the issue of effectiveness. That was my concern with the Opposition's argument. At no point did they try to evaluate properly how effective the scheme was. I know that many amendments were tabled asking for such an evaluation, but all along the Opposition's rhetoric was to use the word "useful" rather than "effective". At no time did they argue that the scheme was effective, so we were left with not very much more than the shadow Minister trying to argue that it was nice to hand out other people's money to other people. It might well be, but that is not a firm or solid foundation on which to build a health in pregnancy grant.

I support the abolition of the grant for the simple reason that we have a number of alternative mechanisms to support families who need assistance during pregnancy. The grant was not paid out at the right time in pregnancy, in my view, and I do not believe that it has achieved its goal. I do not believe that we would even be able to provide the evidence if that were the case. I wholly support the Government in what they are trying to do.

Kate Green: I am very sad that the Government have brought forward proposals to cancel the health in pregnancy grant. We have heard this evening and during the Bill's earlier stages a number of criticisms of its structure. We have heard that it is paid at the wrong time—too late to have a significant impact on maternal nutrition and well-being—and that the money could have made more difference, even pre-conception, to low-income women of child-bearing age. We have heard that it misses the point and that women fritter it away on shoes and going to the spa. That might be true of a minority, but for many others the grant makes a crucial difference at a time when family finances become tight.

The Opposition have been asked whether we are not confused about wanting the grant to be universal or targeted at low-income and more vulnerable women. We are not confused. We are clear that we want a universal grant for all the reasons that we believe in universality: it is more effective at reaching the most disadvantaged, more cost-effective and simpler to administer, and it is easier to know when one is entitled to claim. We accept, however, that if we have to settle for a reduction in spending on pregnant women then, for a time at least, a targeted payment would have enabled us to keep the structure of the grant until it became affordable to offer it again on a universal basis.

8.30 pm

We have also heard that the grant is not enough money and that £190 could not make much difference to a family budget. I assure hon. Members that £190 is a substantial sum to low-income households, particularly at a time when both parents might be facing the additional costs of a new arrival and when household income might dip as the woman takes time out of work to care for the newborn child. Whatever the grant's imperfections, it is a matter of enormous regret that the Government propose to reduce our investment in women as they conceive, carry and give birth to children. I very much regret anything that could have a detrimental impact on maternal health and well-being.

We are very well aware of the effects of good maternal diet on the birth of healthy babies. Low-birthweight babies suffer particularly poor long-term outcomes in health and education and there is considerable evidence that poor maternal nutrition affects babies' pre-birth development, including brain development. It is therefore very important to take every step we can as early as we can to improve maternal nutrition and therefore the chances of children being born healthy. My hon. Friend the Member for Bristol East (Kerry McCarthy) has already mentioned that the grant, which is linked to nutritional objectives, has enabled us to begin developing healthier eating habits in new mothers that would continue right through until after their child's birth and on into family eating habits. We received evidence on that from a number of expert witnesses in Committee. We in Opposition are keen to sustain that long-term, albeit somewhat intangible, benefit.

Most importantly, the grant delivers more money to families and helps to relieve pressure on family budgets at a time when extra expenditure will be incurred. If it is not spent directly on food and nutrition, at least it frees up the family budget by meeting the cost of other, perhaps lumpy, items that parents have to buy when a new baby is expected, so there is less worry about the pressure on household budgets to meet day-to-day outgoings at that time. That is important in reducing the level of stress and mental distress that is felt by pregnant women if they are worried about money as

they await the birth of their baby. It is particularly important that women prepare for birth in a calm and confident frame of mind. We know that women run out of money to pay for food if they are trying to manage in the late stages of pregnancy on a low income. We should seek to hold on to anything that can help to compensate for that fear and help them to be confident that they can make ends meet, so I very much regret this retrograde step.

Throwing the baby out with the bathwater is not desirable or necessary, and that is what the Opposition's amendments seek to highlight. We want to take time to reflect on what in the grant has been successful and needs to be built on. If the grant is not the right mechanism, I challenge the Minister to tell us what he will offer instead to improve the well-being of pregnant women and the prospect of kids being born healthy. The health in pregnancy grant is, as the Zacchaeus 2000 Trust has said, not enough but a step in the right direction. I very much regret that we are seeing a step backwards—a step in the wrong direction—from the Government.

Fiona Bruce: I support the abolition of the health in pregnancy grant, not least because £150 million a year could simply be better spent on improving the life chances of our younger generation—for example, by reducing the deficit and the burden that they would otherwise bear as a result for years to come. The grant is poorly focused, poorly targeted and poorly timed. It is poorly focused because it does not have to be spent on nutritious food or on the health and well-being of the mother or child, as was originally intended. As Dr Callan of the Centre for Social Justice said in evidence:

"There was absolutely no guarantee that the grant would be spent on nutritious food."—[*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 4 November 2010; c. 116, Q279.]

Indeed, the Committee heard evidence to the contrary, as has tonight been confirmed by a Labour Member.

The grant is poorly targeted because it is paid to the better-off and not just those who really need extra financial help in pregnancy. I find that quite offensive, as someone who—along with many of, if not all, my colleagues on this side of the House—shares a real desire to improve the life chances of the less well-off.

Sheila Gilmore: On that basis, if the hon. Lady feels so strongly about it, why has she not advocated that the grant should be retained but restricted to the groups that she feels need it most? I am not saying that that is my point of view, but I was not aware that she or her colleagues were proposing it.

Fiona Bruce: The hon. Lady makes a valid point: we are continuing the Sure Start maternity grant and the healthy start vouchers because their benefit is that they really hit their target, which is some half a million mothers in difficult circumstances who obtain vouchers from the 10th week of pregnancy to buy vegetables, vitamins, fruit and other healthy foods.

Kate Green: Does the hon. Lady not also accept that those women will at the same time suffer a loss of £190 that would also help them with those good outcomes? What steps would she take to ensure that those women were protected and did not find that they had less overall than they had before?

Fiona Bruce: I thank the hon. Lady for that intervention. I made the point at the start of my speech that unless we look at the bigger picture and reduce the deficit that the country is bearing, the generation that those mothers are now bringing up will have to bear the burden of interest on interest for years to come, and their life chances will be far lower than £190 could compensate for.

The healthy start vouchers were described in evidence by Belinda Phipps of the National Childbirth Trust as

"a really good scheme... It has been put together well and people can get a broad range of healthy foods for the vouchers."

The health in pregnancy grant is poorly timed. Belinda Phipps said in evidence:

"If you are setting out primarily to improve the... health of the baby"

the payment of the health in pregnancy grant

"needs to be earlier. If you... really want to change the future of the baby, it needs to be as early as possible."—[*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 4 November 2010; c. 79-89, Q205-224.]

The 25th week is simply too late.

Although there is no doubt that the grant does some good for a number of families, that certainly does not justify the expenditure of £150 million per annum. Indeed, it is a rich irony that, throughout the evening, Labour Members have been exhorting sound financial management, yet now, in the same debate, persist in pursuing what is an example of a seriously ineffective use of public funds—precious public funds of £150 million a year.

Dr Poulter: We have heard a lot this evening about universal benefits and the need for targeting. I think that we all agree that having a grant that would allow us to give every pregnant woman £190 sounds, in principle, like a good idea, but clinical practice—for me, as an obstetrician—and what we have heard from many colleagues tonight indicates that there is no firm basis or grounding to support a grant of that nature.

Mike Weatherley (Hove) (Con): Given my hon. Friend's experience, does he agree that some of that money would be better targeted on front-line services, especially midwives in areas such as my constituency where there is a shortage?

Dr Poulter: I thank my hon. Friend for his comments. He makes the point that I shall develop a little later. If we want to make a real difference to pregnant women, the resources must be given to the front line. I had the experience of working at Brighton hospital for a considerable number of months. There was a great shortage of midwives at my hon. Friend's local hospital.

Margaret Curran (Glasgow East) (Lab): Will the hon. Gentleman give way?

Dr Poulter: No, I will not.

The pregnancy grant would be much better directed if it was used to improve care at the time of delivery,

[Dr Poulter]

when we know that maternity care matters most in reducing the number of foetal deaths and in reducing poor outcomes in pregnancy and delivery.

The hon. Member for Bristol East (Kerry McCarthy) made the point that we need to be able to measure the effectiveness of the grant, and that it should be a nudge in the direction of good behaviour. I accept that any intervention should encourage good behaviour. Unfortunately, what I saw in my clinical practice, and I speak also as the chair of the all-party parliamentary group on maternity, is that unfortunately many mothers from vulnerable backgrounds were spending the grant on, among other things, cigarettes, which we know have a detrimental effect in pregnancy. There is also a high though often unseen rate of drug and alcohol misuse in pregnancy. The grant is potentially spent on those harmful things as well. Giving an intervention, such as the grant, 25 weeks into pregnancy is far too late to help women deal effectively with those substance misuse problems.

Kate Green: I am sure the hon. Gentleman will agree that the majority of mothers are not substance misusers or alcoholics. Indeed, there is considerable evidence over many years, including from the Policy Studies Institute, that shows that if women are given more money, what they do, as my hon. Friend the Member for Bristol East (Kerry McCarthy) said, is spend it on their kids.

Dr Poulter: That is a fair point. Nevertheless, many women smoke during pregnancy and do not necessarily give up smoking. The hon. Lady made the point in her speech earlier about low birthweight babies, a factor which we know is linked to smoking. The grant can be used by mothers to support their smoking habit. To be used effectively, a grant must be tied in with results and effect. We all want mothers to have better nutrition, but unfortunately the grant was often spent on harmful substances. The main problem with the grant is that it was not targeted, it was not effective, and it was not making a difference at the time that we know matters to mothers, which is at birth and delivery.

Kerry McCarthy: I am slightly suspicious about the extent to which the hon. Gentleman speaks with authority on what the women who come to see him in his surgery spend their health in pregnancy grant on. I cannot imagine them saying, "I'm off now to spend my grant on rather a lot of packets of fags." What is the difference between the point that the hon. Gentleman is arguing now—that during pregnancy women should not be given a lump sum that they can spend in any way they choose because some of them might spend it on the wrong things—and what happens with child benefit after a child is born? Surely mothers could spend their child benefit on cigarettes, drugs and alcohol. If that is pursued to its logical conclusion, is it not an argument against giving them child benefit?

Dr Poulter: We are not talking about child benefit this evening. We are debating the pregnancy grant. On the principle that the hon. Lady outlines, if we want to provide an intervention and if we want to make a gift of money effective, we need to target it effectively. We have no evidence to show that the grant is an effective intervention in pregnancy. No one on the Labour Benches has shown that the intervention is effective in improving nutrition in pregnancy.

Granted, in my clinics I obviously did not discuss in detail where the grant was spent. Nevertheless, I saw in my clinical practice far too high a rate of women smoking during their pregnancy. I would much rather see effective and targeted advice, independent of any grant, being focused on making sure that women do not smoke while they are pregnant. That would be a much better way of dealing with the issue.

Sarah Newton: I endorse what my hon. Friend is saying. I took the time to read in *Hansard* the entire debate that took place when the Bill was first introduced. The very points that my hon. Friend is making now were made then—that the grant is not the right way to encourage good nutrition in women of child-bearing age, which we all agree is vital.

8.45 pm

Dr Poulter: I thank my hon. Friend for her point. On nutrition in pregnancy, we know from all the evidence that the biggest and single most effective intervention in nutritional terms is to give women folic acid pre-conception and in the early days of pregnancy. Most problems or birth defects occur in the first six to eight weeks of development, when the embryo is very small, so if we are to intervene effectively that is the time to do so. We already do, because all GPs, midwives and obstetricians encourage women in the first stage of pregnancy to take folic acid, which is the single most effective intervention to prevent neural tube defects and all others.

We have heard how we need to ensure that when we intervene, particularly with the most vulnerable and disadvantaged groups, we do so effectively. When the Act was introduced, the whole point of it was to reach those groups, yet people from Traveller communities, Gypsies and people from deprived backgrounds often still do not access maternity services until the time of delivery or when it is far too late. The hon. Member for Bristol East tried to argue that the grant improves access to maternity services among disadvantaged groups, but lots of clinical audits and data prove that it does not. The evidence shows that the grant is not at all effective in helping improve access to pregnancy services. The hon. Lady's point fails, and I hope Members will bear that in mind later.

We are talking about targeted, results-driven and evidence-based care, but there is no evidence to support the grant as a nutritional intervention or in terms of improving childhood outcomes at birth, so for all those reasons we must target our resources where they belong, on putting those 3,000 extra midwives on to the front line, because they, not a £190 grant, will make the difference.

Mr Hoban: It has been a brief but thoughtful and thought-provoking debate. The amendments that the hon. Member for Bristol East (Kerry McCarthy) proposes seek to achieve one of three things: keep the health in pregnancy grant in place, delay its abolition or require the Government to conduct a review into the case for maintaining it in another form.

The grant was introduced in April 2009 by the previous Government. When announced in the 2006 pre-Budget report, the provision was to be paid as child benefit

from the 29th week of pregnancy to recognise the important role of nutrition in the last months of pregnancy, when nutrition is most important, and in the first weeks after birth, with parents bearing the extra costs. Then, the payment was to be a £190 one-off grant, made from the 25th week of pregnancy with the intention of providing support for the general health and well-being of women in the later stages of pregnancy and helping them to meet costs in the run-up to birth.

Those were laudable objectives, but, as we have outlined on Second Reading, in Committee and again tonight, the grant has been essentially flawed from the outset. There is no requirement to use it for better health and well-being: women can spend the money on whatever they want; and it is paid to pregnant women regardless of their income or need. As Dr Samantha Callan of the Centre for Social Justice said in an evidence session on the Bill:

"There was absolutely no guarantee that the grant would be spent on nutritious food."—*[Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee,* 4 November 2010; c. 116, Q279.*]*

In the context of the unprecedented budget deficit, therefore, we believe that this payment to all pregnant women is a poorly targeted use of limited public funds. Abolishing the payment will help to reduce the UK's budget deficit, saving £40 million in 2010-11 and £150 million per annum from 2011-12 onwards.

Having decided that we need to abolish the grant, the Government believe it should be done quickly to maximise the Exchequer savings. By delaying the abolition until 2014, as amendments 44 and 45 seek to do, we would reduce those savings, and amendment 3 would keep the grant in place, so additional money would have to be found through other spending cuts, borrowing or tax rises this year. As my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) said, there are other priorities. The coalition Government are clearly committed to increasing spending on health in real terms over the lifetime of this Parliament. Are Labour Members saying that that commitment should be relaxed to enable us to keep the health in pregnancy grant?

Much was said by Opposition Members on Second Reading and in Committee about the importance of a healthy diet during pregnancy, the importance of vitamin supplementation, and, especially, the effect of these on women on low incomes. There is no doubt that maintaining a healthy diet throughout pregnancy is important. However, the evidence suggests that that should start at the earliest possible stage. Belinda Phipps of the National Childbirth Trust said in the evidence session on the Bill:

"If you are setting out primarily to improve the nutrition of the mother to improve the health of the baby,"

the payment of the health in pregnancy grant

"needs to be earlier. If you…really want to change the future of the baby, it needs to be as early as possible. It is not possible easily to do it pre-conception, but the earlier in pregnancy you can do it, the better."—*[Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee,* 4 November 2010; c. 79, Q205.*]*

Amendments 43 and 44 would stop the abolition of the grant and require the Treasury to conduct a review to consider whether the grant should be retained in its current form, means-tested or replaced by a system of vouchers. As I said on Second Reading and again in Committee, the Government are committed to supporting the health of pregnant women in low-income households through the Healthy Start scheme, which provides support from the 10th week of pregnancy, when diet is particularly important in a baby's development. The Healthy Start scheme provides vouchers worth £3.10 a week for fruit, vegetables and milk, as well as coupons to exchange for Healthy Start vitamin supplements containing the recommended daily amounts of vitamins C and D and folic acid for pregnant women and new mothers. The Department of Health is also co-ordinating a consultation exercise that seeks views on the extension of the scheme to allow vouchers to be used to buy plain frozen fruit and vegetables. This would increase the flexibility and choice for women supported by Healthy Start while encouraging them to include more fruit and vegetables in their daily diet at the time in their pregnancy when that is particularly important.

The amendments would delay the abolition of the grant or keep the grant in place. That would mean that additional money had to be found through other spending cuts, borrowing or tax rises this year. The Government have to face some difficult choices as to where to cut public expenditure, and we cannot afford to continue spending £150 million a year on the cash payment of a health in pregnancy grant regardless of what it is spent on and whatever the income or financial position of the recipient. As my hon. Friend the Member for Congleton (Fiona Bruce) explained, it is not well focused, well targeted or well timed. That is why I believe that it is right to scrap this grant, recognising that measures are in place to help to support maternal nutrition among families on low incomes. We also have the Sure Start maternity grant, which is a lump sum to help those on the lowest incomes.

Mrs Mary Glindon (North Tyneside) (Lab): The Sure Start maternity grant is given only for the first child. If a family do not have that grant or the health in pregnancy grant, with the Government also reducing the amount that they would get in family tax credits for toddlers, they will be much worse off.

Mr Hoban: That is an unfortunate consequence of the difficult decisions that we have to take to tackle the deficit that the hon. Lady's party has left behind. Tough decisions have had to be made to target help as closely as possible on those in the greatest need. The support that exists, whether through the Sure Start maternity grant—yes, we are restricting that to the first child from April 2011—or through the Healthy Start vouchers, provides targeted, focused help for those in the greatest need. That is the best way to give support to help mothers on low incomes through pregnancy. The health in pregnancy grant does not tackle nutrition, and it is not well timed because it should be delivered at an earlier stage to help families.

I have to say to the hon. Member for Bristol East that if the grant goes, there are still plenty of opportunities for expectant mothers to access health visitors, midwives and GPs to get the support that they need to help them with their diet or with smoking cessation, and to give them advice and support throughout the pregnancy. Support is not limited simply to receiving that grant; it is there throughout pregnancy, and we should not overlook that fact in discussing the Bill.

[Mr Hoban]

It is right to remove the health in pregnancy grant, even though we do not do it lightly and would not choose to do it unless it were a consequence of the situation that we have inherited. The previous Government lost sight of good fiscal discipline, and we are having to take measures today to tackle the problems that have resulted.

Kerry McCarthy: In all our debates on the health in pregnancy grant on Second Reading, in Committee and today, we have been going round and round in circles without ever quite nailing what the Government's objections are to the grant continuing.

I shall try to pin down what the Minister has said. He says that the grant would be better if it were paid earlier, yet he has not brought forward any suggestion that it should be. He says that it is a problem that there is no guarantee about what it is spent on, yet he seems perfectly happy to go on paying child benefit to mothers or the winter fuel allowance to pensioners. There is no guarantee about how that money is spent, so I reject that argument. It has been suggested that there has been no evaluation of the scheme, but as he said, it was introduced in 2009. How on earth can we possibly have had the chance to carry out a full evaluation of the take-up of the grant, what it is spent on and people's access to advice?

My final point, and the crux of the matter, is that the Minister praises the Healthy Start scheme because it is targeted at the people who need it most. He also mentioned the Sure Start maternity grant, which, as we know, is being reduced to cover just the first child. Does he not accept that if we abolish the health in pregnancy grant, the families he spoke of, who need the Healthy Start vouchers to cover expenses and to have a healthy diet during pregnancy, will be £190 a week worse off? That is why we argue for the retention of the grant, with a review of whether it should be means-tested and better targeted. In rejecting the idea of a review totally, he is basically saying that the poorest families, who are already suffering because the Sure Start maternity grant is being restricted to the first child, must lose £190 a week. That is something of a scandal. I therefore wish to press the amendment to a vote.

Question put, That the amendment be made.

The House divided: Ayes 217, Noes 304.

Division No. 124] **[8.57 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Iranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank

Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Ayes:
Angela Smith and Graham Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob

Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Willott, Jenny
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Bill Wiggin

Question accordingly negatived.

Third Reading

9.11 pm

Mr Hoban: I beg to move, That the Bill be now read the Third time.

As we have discussed today, the Bill deals with three policies: child trust funds, the saving gateway and the health in pregnancy grant. Both today and in Committee two weeks ago, we have debated the details of those policies. Opposition Members have pointed to their merits or, rather, their potential merits—as we have found, quite often the hard evidence to support their arguments is rather lacking. They have argued that we should either retain the policies or delay removing them, and sometimes both at the same time.

I shall come to some specific points about those policies in a moment, but I want to be clear on one point. The question for this Bill is not simply whether we think that child trust funds are a nice idea or whether we would like to give pregnant women some more money. The question for this Bill is a harder one to confront. It is whether we can afford such policies—at a cost of £3 billion over the spending review period—given the scale of the deficit that we inherited, and whether continuing with them would be the best use of taxpayers' money.

As we decide to give the Bill its Third Reading, it is important to remind hon. Members of the context. When the Governor of the Bank of England says that our fiscal position is "clearly unsustainable", when our borrowing last year was the highest in our peacetime history and when we are spending £120 million a day just to pay the interest on our debt, something has to give. If we do nothing and fail to tackle the deficit, we will see higher interest rates, business failures, rising unemployment and, potentially, even the end of the recovery. We therefore need a clear, credible plan to tackle the deficit. We have set one out, including more than £80 billion of spending reductions. However, to deliver it we have to make choices about where savings are going to come from.

We have made those choices, and this Bill implements three of them. They were not easy choices. As I said on Second Reading, the Conservative party supported the introduction of child trust funds and the saving gateway in opposition. Indeed, on at least three occasions so far, the right hon. Member for Delyn (Mr Hanson) has quoted what I said about the saving gateway, and I suspect that he may well remind the House again in his speech on Third Reading. We did not warn against the health in pregnancy grant, although we did raise some concerns about it. My Liberal Democrat colleagues were rather more sceptical. They opposed the child trust fund and prayed against the regulations that introduced the health in pregnancy grant. However, as I have said, the question is not whether it would be nice to keep those policies—in an ideal world it would be—but whether we can afford to keep them, given the fiscal challenge that I have outlined, and where else we would have to find savings if we did so.

I believe that the Bill makes the right savings. Continuing with the child trust fund, for example, would have cost us more than £500 million each year. That money would have been locked up for up to 18 years—a luxury we cannot afford.

Given our limited resources, we must spend money on our priorities: reducing the deficit, so that our children are not left to pay our debts; supporting the most vulnerable and poorest people in our society now—for example, through the pupil premium; and the extension of early years education and care to all disadvantaged two-year-olds. Those policies will provide real opportunities for disadvantaged children to move out of poverty for the long term.

While saving money from the child trust fund, we are still committed to encouraging people to save for their children in an affordable way. That is why I announced a new account—a junior ISA—on Second Reading. It will provide parents with a simple and clear way of saving for their children, albeit without Government contributions, and build on products that are already accessed by 20 million people of all ages and on all incomes. I also want to encourage people on lower incomes to save, but again that must be affordable. Unfortunately, it would not have been affordable to introduce a new scheme such as the saving gateway, which would have cost up to £150 million a year just when we are starting to tackle the deficit that we inherited in the summer this year.

I was worried that there would not have been enough providers to ensure that everyone had an accessible option for opening a saving gateway account. During the Bill's evidence sessions, we heard from the British Bankers Association and the Building Societies Association that their members were far from enthusiastic about

providing such accounts. The Post Office was going to offer the account only if taxpayers had funded it to do so. We cannot afford to introduce that account, and there were significant doubts not only about access and who would offer it, but about its effectiveness in increasing saving.

It is right to abolish the health in pregnancy grant. I remind hon. Members that it is a one-off cash payment of £190 to every pregnant woman around the 25th week of their pregnancy. In Committee, we debated at length the different ways in which women might spend that money, and how the scheme could be improved, such as by paying it earlier, in instalments or to only some women. The basic point is clear. The grant is unfocused, it can be spent on anything, and it is untargeted. We believe that there are better ways to support maternal health.

Fiona O'Donnell (East Lothian) (Lab): Following that logic, does the Minister believe that because there is no guarantee about where housing benefit, child support and child benefit will be spent, they should be scrapped?

Mr Hoban: The hon. Lady has not participated in the debate today, but we have thought carefully about how to provide support during pregnancy to those on low incomes. There are vouchers under the Healthy Start scheme, and the Sure Start maternity grant, which we believe are more effective in providing targeted, better timed and more focused support to expectant mothers.

There is a choice. We could spend £120 million on the health in pregnancy scheme or we could scrap it and save the money so that we do not have to increase taxes or borrow so much. The latter is the right action to tackle the deficit. There are better ways to support maternal health, such as the Healthy Start scheme, which provides vouchers to enable pregnant women to buy fresh fruit and vegetables. The Department of Health is consulting on whether to extend that to plain frozen fruit and vegetables. Vouchers are also available for vitamin supplements, including folic acid, to provide a daily dose of vitamins B and C.

The Healthy Start scheme is effectively targeted at pregnant women and children living in low-income households, and is focused on supporting health and well-being, because it pays support in the form of vouchers rather than in cash. It is delivered at the earliest stage of pregnancy when dietary intervention is much more effective. That means that we can focus our resources better, but at the same time make some real savings—about £150 million a year. That is a vital contribution to tackling the deficit and ensuring that people are not burdened with the debt that we inherited from the previous Government.

That is the key point of the Bill. The changes that we are making to child trust funds, the decision not to introduce the saving gateway and the abolition of the health in pregnancy grant will save more than £3 billion over the spending review period. That is an important part of our plan to reduce the deficit and put our finances back on a stable footing.

As I said, this has involved some tough choices, but I believe that we have made the right ones. We found areas of spending, such as the child trust fund, which does not support people for up to 18 years, the saving gateway, which has not yet been introduced, so its removal will be less directly felt, and the health in pregnancy grant, which is untargeted and unfocused. We have confronted the questions, which I outlined earlier, of whether we could really afford to continue with those policies and whether they would represent the best use of taxpayers' limited resources. The questions for anyone who wants to oppose this Bill and to continue with the policies are how they would find the money and what they would do instead. This is an important Bill. It is part of our work to tackle the unprecedented deficits that we inherited, and it will help us to put our public finances back in order. I commend it to the House.

9.21 pm

Mr Hanson: I thank the Minister for his opening remarks on Third Reading. He and I have got to know each other, as Minister and Opposition spokesperson, and other members of the Committee quite well over the past few weeks. We have now discussed the key issues on Third Reading. He will know that we have had a total of 23 votes on Second Reading, in Committee and on Report. I hope that that illustrates the strength of feeling about the Bill among Labour Members. It contains only four clauses, yet we have managed to have 23 votes on a range of issues as we continue to oppose the Bill. We have fought the Bill at every opportunity, and will continue to do so in another place shortly.

We oppose the Bill because the abolition of the child trust fund will reduce the opportunity for the poorest in our society to have a capital asset at 18. We oppose it because the abolition of the saving gateway scheme will reduce saving opportunities for the poorest in our society. We also oppose it because it will reduce the help available to pregnant women by stopping the £190 grant that is available to them in the 25th week of their pregnancy. Again, I must point out, for the Minister's benefit, that that will hit the poorest in our society the hardest.

As Opposition spokesman, I have tried to be as pragmatic and helpful to the Minister as possible on a number of occasions. I have tried to help him by giving him an opportunity to delay the implementation of the Bill, so that we could see whether some of our economic woes—which are difficult and challenging at the moment—are overcome in the next three years. We offered the Minister the opportunity to postpone implementation of the bill until 2014, or 2016, but he rejected it. We offered him the opportunity to have payment holidays, but he rejected it. We also offered him the opportunity to deal with Wales, Scotland and Northern Ireland differently, but he rejected it.

We offered the Minister the opportunity to fulfil his manifesto commitment to keep the child trust fund for the poorest third of our society, for those on disability living allowance and for looked-after children—a point that my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins) has particularly focused on during the debate. We have considered a range of issues, including whether the Bill needed a proper equality impact assessment, but the Minister has chosen to reject them all. Well, so be it; that is his prerogative. I believe that he has made the wrong choices in relation to tackling the deficit, by putting women, children and the poorest at the forefront of his deficit reduction plan.

[Mr Hanson]

In doing that, the Minister has broken his manifesto commitments on the child trust fund for the poorest third, for looked-after children and for those on DLA. He has made a U-turn by abolishing the saving gateway scheme, which he supported during the election and right up to the moment when the Bill was introduced, and by abolishing the health in the pregnancy grant, for which he had no mandate. He never argued for its abolition at the general election, or mentioned having to cut it; he never said that he was concerned about it at all. He must have known at that stage that there would be, as there are, challenges for whoever won the general election to ensure that we met those needs.

The Bill abolishes the child trust fund completely; it abolishes the saving gateway completely; it abolishes the health in pregnancy grant completely. It is the deficit reduction plan hitting women, children and the poorest in our society the hardest. The Minister will know that the child trust fund was introduced by the Labour Government not just as a way of helping poorer people to save, but as a means of ensuring that we have individuals with a capital asset at the age of 18. He will know that there was a take-up of about 70,000 a month until he introduced this measure in July; with this Bill, we now look to 3 January 2011. He will know that 6 million families and people have the child trust fund in operation at the moment, but that in future that opportunity will be denied to individuals across the UK because this Minister has chosen—of all the choices he could have made—to ensure that the deficit reduction plan falls on those people who need the help and support the most. The Minister will also know that £2 billion of saving has been generated by the child trust fund to date. He will know that it might not be generated in future because the partnership between Government, the state and individuals will no longer be there in future.

In its place, the Minister wafts in front of us the prospect of a child ISA for the future. I await the details, but so rushed is this proposal that it was not even worked out fully for the Committee. So rushed is this Minister that he brings a proposal before the House today, yet he cannot even say what the child ISA scheme will be in detail. He cannot say when it will definitely be introduced. He cannot say whether contributions from looked-after children—an issue brought to our attention by my right hon. Friend the Member for Wythenshawe and Sale East—will be possible. He cannot say how much will be involved or how the scheme will operate downstream, yet he asks us today to abolish the child trust fund, which has had a proven record of saving success to date.

The Minister brings forward the abolition of the saving gateway, doing away with the Saving Gateway Accounts Act introduced in 2009, even though it was not opposed by the Conservatives on Third Reading. The purpose of that scheme was to promote savings habits among working-age people on lower incomes. He will know that we have had two pilots, neither of which was criticised by the Minister at the time, and they involved 22,000 people generating £15 million of savings—helping poorer people to save for the future. He does this at a time when his deficit reduction plan is going to put 500,000 people in the public sector on the dole. With VAT increases, with loan sharks operating in the community and with the collapse of schemes such as Farepak, which my hon. Friend the Member for Makerfield (Yvonne Fovargue) mentioned in Committee, the Minister will find that the need to give help and support to poorer savers is even greater now than before. But, no, the Minister will not even allow a three-year gap to see whether the economy recovers. The scheme would not cost him a penny in the next three years, but he wishes to abolish it because of dogma—nothing else but dogma.

When he abolishes the saving gateway scheme and when Government Members vote for that abolition this evening, they need to know that they are voting to ensure that people on working tax credit, income support, incapacity benefit and jobseeker's allowance, and other low-income people will be denied the benefits of that scheme. Let us remind the Minister that a Labour Government would have brought this into play in July 2010, supported by our Chancellor and supported by a deficit reduction plan in last March's Budget that would have ensured that we halved the deficit within four years.

Last of all, the Government are abolishing the health in pregnancy grant—a one-off tax-free payment of £190 to mothers-to-be who are 25 weeks pregnant. We can debate it and have debated it in detail, but nobody can deny that a £190 grant would have helped the poorest pregnant mothers in our society to meet the costs of their pregnancy and to ensure, as my hon. Friend the Member for Bristol East (Kerry McCarthy) said, that they receive further help and support through medical advice in the 25th week and beyond, linked to medical visits. The Minister knows that 750,000 qualifying pregnancies each year will not receive the grant. Again, he has hit women—pregnant women—and children hardest.

It would be different if the Government's proposals were due merely to the fact that these were Labour Government initiatives. However, Mike O'Connor, chief executive of the watchdog group Consumer Focus, has said:

"The Saving Gateway would have been a great opportunity".

The Child Poverty Action Group, which was led with distinction by my hon. Friend the Member for Stretford and Urmston (Kate Green), has said:

"It's a real shame that this move to help people build up savings to deal with crises... should be scrapped."

The National Childbirth Trust has said:

"At a time when families are trying to make ends meet, the Coalition Government has hit parents particularly hard. Cutting pregnancy and maternity grants".

The Royal College of Midwives—this answers the point made by the hon. Member for Central Suffolk and North Ipswich (Dr Poulter)—has said that it is

"disappointed at the decisions to abolish the Health in Pregnancy Grant".

A common thread runs through the Bill. The Government are hitting the poorest hardest. They are ensuring that those who need the help, support and partnership of the state are hit hardest; and although they claim to be doing it in the name of deficit reduction, they are actually doing it in the name of dogma. I urge my right hon. and hon. Friends to reject the Bill, but I also urge the Minister to reflect on the fact that, although there is much on which we have disagreed today, there are still areas on which we can reach agreement.

I particularly hope that the Minister will examine in detail the methods and discussions being undertaken by my right hon. Friend the Member for Wythenshawe and Sale East in regard to looked-after children, and that he will return with positive proposals so that, although the Bill has not been amended in this House, amendments may be made in another place. Whatever the Minister says about the need to abolish help and support through the child trust fund, or about the removal of the saving gateway or pregnancy grants, he must know that looked-after children do not have parents who are responsible for them. Their parents may be dead, or they may be in difficult circumstances—they may be in prison, or involved with alcohol or drugs. But the Minister knows that those parents are not there to support their children, and he should know that in that instance, if in no other, the state needs to step in.

Graeme Morrice (Livingston) (Lab): I agree with my right hon. Friend that the Government's proposals are a direct attack on the poor. In my constituency 7,824 children, many from backgrounds that are less than affluent, currently benefit from the child trust fund. The Minister said earlier that it was a luxury that we could not afford. Does my right hon. Friend agree that that is an affront to all those people in my constituency and throughout the country, many of whom are impoverished?

Mr Hanson: I am grateful for my hon. Friend's comments. The Minister and the Conservative party—and let us not forget their partners, the Liberal Democrats—are ensuring that they hit such people hardest in abolishing the child trust funds, particularly looked-after children and those whom they said they would defend, the poorest third. They are hitting people on jobseeker's allowance who would have benefited from the saving gateway. As for the removal of the health in pregnancy grant, the loss of £190 may not be the end of the world for many people, but for the poorest in our society it was a contribution on which they depended to ensure that they met the costs of pregnancy.

Whatever disagreements the Minister and I have had—and we have had many over the past few weeks—I hope that he will take the opportunity to consider some of the key issues that he can still salvage. I hope that he will at least ensure that we can provide a partnership for looked-after children. Undoubtedly all the promises that he made before the election will be quoted again in another place, and every one of the issues will be tackled again there. We shall see what is said in the other place, but I hope that the Minister will reflect on those issues. In the meantime—with some pride in what the Labour Government did—I urge my hon. Friends to reject the Conservative-Liberal Democrat proposals.

9.33 pm

John Hemming: Let me ask a question. If the Labour party will not cut these three things, what will it cut? They are probably three of the easiest things to cut that could possibly be identified.

Let us take the child trust fund. At present we have a deficit. Every year, we borrow the deficit and add it to our debt. Putting money into the child trust fund means that the taxpayer—the state—borrows some money and then puts it into a fund. Some of the funds lose money while others gain money. Hopefully, 18 years later there will be a little bit of money for someone. If the Labour party cannot cut that, what will it cut? As the witnesses said, if we want to help people when they are 18, we can help them when they are 18. If we want to help 18-year-olds who are leaving care, we should help them at age 18, not so that they will have to wait for 18 years. It is absurd to borrow money today to put in a fund that might lose or might make money—there is evidence of both eventualities—and then 18 years later maybe a young person will have some money.

We have to make choices. A key question is whether people on lower incomes, and especially those who have just given birth, should spend money on food and health or save some money. In Committee, I asked Katherine Rake that question and she said:

"You cannot make a choice in that way." [*Official Report, Savings Accounts and Health in Pregnancy Grant Public Bill Committee*, 4 November 2010; c. 95, Q244.]

In essence, that is the Labour party's argument. The Opposition are basically saying, "We don't make choices. There's no need to make choices. We can have this and this and this, and we can keep on going until the interest rates go sky high, we lose lots more jobs and we have a sovereign debt crisis."

On Report, the hon. Member for Edinburgh East (Sheila Gilmore) talked about paying down the deficit. We do not pay down a deficit; we pay down debt. The deficit is the amount of money added each year to our debt, and the danger we face is that if we are not careful the interest rates on the debt will rise as well as the debt itself, and that would mean more cuts. If Opposition Members are going to argue this point of view, therefore, they have to explain where the cuts would come from, but they have not answered that. Are they going to close down hospitals to pay for these things? Are they going to sack more police officers? We face a very difficult time, but if the Opposition say they would keep these three particular projects, they have to explain where they would get the money from to pay for them. Would they put VAT up again?

Pete Wishart: If I had closed my eyes, I would have thought this was the hardest right-wing Thatcherite speech I had ever heard, yet it is being made by a Liberal, for goodness' sake. Why are the Government taking this out on women and children? If cuts have to be made, why is it women and children who are in the firing line?

John Hemming: What we are talking about is putting some money in a fund and leaving it there for 18 years. That is not going to affect any woman or child for 18 years. What we should be doing is looking after people now. Our priorities have to be the vulnerable people now. We have to give priority to protecting the poorer, the less well off, the vulnerable and those with learning difficulties now, rather than putting some money away for 18 years.

Kate Green: Can the hon. Gentleman give me one single instance of where the incomes of the poorest are being increased by this Government?

John Hemming: Well—*[Interruption.]* Sorry? *[Interruption.]* Yes, that is a good one. The tax threshold is a good example. One area we are focusing on is low-paid people in work, so there is the first stage of gradually increasing the tax thresholds up to £10,000 a

[John Hemming]

year, and the universal credit itself should be particularly helpful to those on benefits and low pay, such as many people who come to my advice bureau. On Saturday, I did some calculations with somebody who had worked out that when we took into account all the rules the Labour party had produced over the years, it was not worth his while to work. Interestingly, in that instance that was because of a Child Support Agency deduction. We need to focus on the low-paid and make sure that people get into work and through that route get themselves out of poverty. That is a good example of our putting money into the hands of low-paid families.

There is no evidence that the child trust fund produced extra saving, there is no evidence that the saving gateway produced extra savings—and there is only some evidence that, perhaps, it reduced spending on food outside the home—and there is no evidence that the health in pregnancy grant did any good for health in pregnancy. On that basis, if we are not going to cut these measures, what are we going to cut?

9.39 pm

Sheila Gilmore: There are, indeed, choices to be made: there is a choice about the kind of society we want to live in, and there is a choice about how we resolve economic problems. Members on the coalition Benches want the public to believe that there is only one show in town, which is that we have the worst deficit in peacetime and that we have a situation that was entirely caused by the last Government spending too much over too many years. That is the only argument they want people to believe, but let us just unwind a couple of years.—

Paul Maynard *rose*—

Sheila Gilmore: I am not going to take an intervention just now.

I recall that three years ago, at the beginning of the recession, people were predicting how high unemployment would rise, how difficult things would get and how high our deficit might be. Unemployment did not rise nearly as high as predicted under the Labour Government, and I will tell hon. Members why: because we were putting in money as part of an economic stimulus. Yes, we borrowed to do that but we did so because it was the right thing to do. We were told that it was the right thing to do by the junior partner in this coalition throughout that period. I remember those debates before the election—

Mr James Gray (North Wiltshire) (Con): You were not here.

Sheila Gilmore: I was thinking about the public debates on television involving the Chancellor and the would-be Chancellors. I recall what the Liberal Democrat spokesman on finance said, and he put forward a completely different perspective from the current Chancellor. There was no agreement.

Members on the Government Benches may disagree with what I am saying, and I am happy for them to do so because that is legitimate in politics. We have a different view of how to do things, but that does not mean that our view is so unreasonable that we are not even allowed to put it. We are hearing that we are not allowed to argue any of these points and that we are not supposed to say that we would make different choices. The Minister gave this one away when he said that these measures would not really harm people; he said that the saving gateway had not even started and so nobody was being harmed, which is why it is an easy cut.

Paul Maynard: How does the hon. Lady respond to the point that there were no willing providers of the saving gateway? No matter how successful her party's pilots were, no building societies were willing to make that provision. It is all very well her saying all this, but the gateway was not going to take place in reality; it was just going to take place in her own private make-believe world.

Sheila Gilmore: If the hon. Gentleman looks at all the evidence and the research, he will find that it is clear that this was going to take place—*[Interruption.]* It was going to take place because there were providers who were going to do it—*[Interruption.]* I do not know why he is waving his hands in the air—we could do that too. There were credit unions that wanted to get involved, as did two banks. The complaint made in Committee was that because only two banks wanted to get involved, there might not be enough access points. I have suggested other access points and I described the debate that took place when the housing association movement, with which I was involved, wanted to be one of the ones that would help people to make payments into a saving gateway scheme. That argument does not hold up.

We have heard a number of distortions of the evidence. We were told that the NCT thought that the money should go on women buying food, rather than saving, but we should recall that Belinda Phipps, the NCT's chief executive, has written a foreword to the book that I mentioned earlier entitled "Asset Building for Children—Creating a new civic savings platform for young people". It was written by two people, one of whom is Phillip Blond, who believes very strongly in the child trust fund; he believes that saving is very important and he suggests that we should have stuck with this arrangement. He does not say that it was without its faults—this is not a case of saying that it did not have faults—but he devotes a paragraph to saying that although it could be improved, that does not mean we should throw it out completely.

Some of the debate, particularly in Committee, was interesting and covered a lot of important material. If we want to do the best by people, we would not simply reach a point where, without looking at the wider context, we say, "Right. We have to make some savings now. Let's just chop this, this and this." It may be that we could have improved some of these schemes and they could have been differently focused. However, that is not the debate before us, but the stuff that has been thrown up in the course of it; the debate before us deals with the fact that either we have these schemes or we do not.

Labour Members believe that we could run our economy differently and that we do not need to cut so far and so fast. On that basis, we would be able to decide which things we wish to keep in place and which things we might want to save. I could talk about all sorts of savings that I might want to make, but I would

also want to talk about the balance between savings and taxation. There are legitimate debates to be had about that.

We do not need to accept proposals that harm some of the most vulnerable in our society and the long-term view. It is astonishing that the Conservatives, in particular, whom I always understood to believe in saving, should not want to go ahead with the saving gateway. In 2003, it seems, the present Chancellor said:

"We think that having savings...gives people a stake in society, gives them independence, encourages self-reliance and bolsters the freedom of the individual against the overbearing state."—[*Official Report*, 15 December 2003; Vol. 415, c. 1345.]

He has clearly changed his mind.

9.45 pm

Sarah Newton: Thank you, Mr Deputy Speaker, for calling me to speak in the last moments of the debate. It was an enormous privilege to serve on the Public Bill Committee and to listen to my colleagues on the Opposition and Government Benches, as well as to the many organisations that gave evidence.

Listening for all that time brought home to me why I am so pleased to be sitting on the Government Benches and not on the other side. I believe absolutely that Government Members will form the most reforming Government that I have seen in my lifetime—a Government who are prepared to make the tough decisions that will provide the solutions to the problems, as the Bill seeks to do.

There is no doubt in my mind about the good intentions of the Opposition when they introduced these three measures some years ago. There is also no doubt in my mind from reading *Hansard* from that time and from re-examining the evidence that we have been given over the course of the past few weeks that there is no evidence base to show that the measures will tackle the vital issues of alleviating poverty and helping the most disadvantaged people in our society.

Dr Poulter: On that note, does my hon. Friend agree that it is a great pity that it has taken the advent of the deficit for us to examine properly some of the previous Government's policies? We all want to look after the most vulnerable, but the only way to do that is to target our resources properly. At the moment, in difficult economic times, there are fewer resources than there once were, and the only way to do it is to base that targeting on the evidence and to ensure that the resources go to the most vulnerable. That is what the Government are about. We are getting rid of universal policies that do not work.

Sarah Newton: I am delighted to agree with my hon. Friend. It is essential that we use the evidence base, and I find it frustrating that the evidence was available when the legislation was introduced a couple of years ago. Let us consider the debate on maternal health—I know that my hon. Friend has great expertise in this area. It was very difficult for my colleagues who were in the House at the time to get evidence on maternal health from the then Government, but it was demonstrated that the data set that could reasonably be used to measure the impacts of any additional nutrition on maternal health did not exist. When hon. Members are pouring out their crocodile tears, as we have seen for weeks, saying how poor the affected people will be and how we must take more time and evaluate these measures, they know full well that the data set does not exist to measure the impacts.

We should listen to my hon. Friends, and to midwives and clinicians up and down the country as they give their practical experience of working with women of child-bearing age to improve maternal health. We have heard about policies and projects that deliver. For example, we know that not enough women understand how to cook nutritious meals on a low income. Much more needs to be done about cooking in schools and in the community so that people on low incomes can cook nutritious food, and plenty of evidence supports the idea that that is an effective thing to do.

As my hon. Friend said earlier, we know that the single most important thing that we can give to a mum in her early stages of pregnancy is folic acid. All the support that the Government are putting in place through their reforms to the NHS will target help at women of child-bearing age and at those who are the most vulnerable in our society and who need such effective services from the NHS.

This Government are all about giving people a hand up, not a handout. Week after week we sit here and Opposition Members' answer to every problem is to throw some money at it. We in the Government will ensure that hard-earned taxpayers' money is spent where the evidence shows it will be most effective.

9.50 pm

Ms Margaret Ritchie (South Down) (SDLP): Representing, as I do, a constituency in Northern Ireland where there is considerable dependency on benefit and high levels of deprivation in urban areas, I am particularly opposed, as are my colleagues in the Social Democratic and Labour party, to the abolition of the child trust fund, the saving gateway account and the health in pregnancy grant. We are therefore opposed to the Bill. The current Government seem to think, as the Minister has shown, that the child trust fund, the saving gateway account and the health in pregnancy grant would contribute to deepening the deficit and are therefore unaffordable. It is extremely unfair that the disadvantaged and vulnerable should be penalised when efforts should be made to help to support them, and I find it shameful and unacceptable.

As a former Minister in Northern Ireland, I, like my right hon. Friend the Member for Delyn (Mr Hanson), have been responsible for the Department for Social Development and, therefore, for social security benefits, community development and housing. I note, with some alarm, that Ministers in the Northern Ireland Executive have not been consulted or asked for their opinion of the Bill's content or its possible impact on the most disadvantaged and their communities. It is worth noting that 36 neighbourhood renewal areas in Northern Ireland are defined statistically by the Noble statistics on deprivation as having acute levels of poverty.

The withdrawal of these funds, combined with the coming changes to the benefit system, will simply deepen poverty levels and plunge people into further depths of despair. The measures might push people who are already suffering undue financial burdens into the arms of loan sharks and, in certain parts of Northern Ireland, they

[Ms Margaret Ritchie]

could enable those with paramilitary control to have a tighter grip on people. But no cognisance has been taken of any of that and there has been no consultation. The Government should step back from the brink and avoid implementing the measures. They should think of Northern Ireland as a place that is coming out of the legacy of conflict. We are trying to mitigate the influence of poverty and conflict and we are trying to underpin devolutionary arrangements. I ask the Government to please abandon the Bill tonight; we will be voting against it.

9.53 pm

Stephen Williams: I shall try to be brief so that the hon. Member for Stretford and Urmston (Kate Green) can get in. The right hon. Member for Delyn (Mr Hanson), who leads for the Labour party, said that there had been more than 20 Divisions during deliberations on the Bill, but I think that only two principles have been at stake. The first is deficit reduction, and that has been dealt with comprehensively by my hon. Friend the Member for Birmingham, Yardley (John Hemming) and the Minister. The second is a matter of dogma, to use the right hon. Gentleman's word, and that is what I want to talk about.

What is the role of the state in ensuring that people can make a journey out of the poverty into which they were born into more successful adult lives? The Opposition say that it is to give out dollops of free money, which will somehow transform people's life circumstances even if that free money will not be available until they are 18, which might be a decade away for some. It has been the contention of my party since the run-up to the election, and it is now the contention of the coalition Government, that the role of the state is to enable people, for themselves, to achieve while they are at school and then have successful careers in their adult lives, thereby generating surplus funds. That will contribute to the culture of saving far more effectively than any Government incentive. The biggest barrier to someone saving is having an income that enables them to save. The biggest barrier to someone having an income that enables them to save is lack of educational achievement and inability to find a job that transforms their long-term work prospects.

The comprehensive spending review is a package of measures, the main concentration of which is the reduction of expenditure over four years, but that is a net reduction and there are increases within it as well. One of those increases is one of the four main pledges that my party made during the election: the funding of the pupil premium. It is to be funded, as we laid out in the run-up to the election, specifically by the abolition of the child trust fund, which we opposed when the previous Government introduced it and opposed during the general election. That pledge has been carried forward into the coalition agreement.

Anas Sarwar (Glasgow Central) (Lab): It is amazing to listen to the hon. Gentleman: the people of Bristol West voted for a Liberal and ended up with a Tory. Does he not recognise that there is no extra money in the pupil premium, that the Budget was about choices and that the choice that the Liberal Democrats and the Conservatives made is to hammer families, children and parents right across the country?

Stephen Williams: I thank the hon. Gentleman for his intervention, but let me tell him that the people of Bristol West voted for my No. 1 pledge, which I talked about continuously during the general election and which is something I have stood for all my political life: rescuing people from poverty, particularly children from poorer backgrounds. The introduction of the pupil premium will make a significant long-term difference to the life chances of young people in our country. It will be far more effective and make a far greater difference than telling everyone, whatever their circumstances, that when they are 18 they will get some money to spend on their birthday party or some other initiative.

The dogmatic difference between the two sides is that we believe that enabling people to make choices about their lives is far more important than the state saying, "Here is some money to spend at some point in the future."

9.57 pm

Kate Green: In the short time remaining I will address one or two of the points that were raised in the last part of the debate. Is it right to give people cash? Absolutely. There is much evidence of the fundamental difference that an adequate family income makes to a range of good outcomes. Do people squander that cash? Absolutely not. There is a wealth of evidence to show that when low-income families, particularly mothers, are given more money, they spend it on their families and they spend it on their kids. Is it right that we cannot afford that? Only if we look narrowly at the short term. Government Members have rightly challenged us on the long-term savings to be made by addressing inequalities, but savings achieved tomorrow by investing in families today must be taken account of, and that is something to which Government Members have given no thought.

The child trust fund, in offering the poorest young people the opportunity to start their adult lives with an asset behind them, makes a significant difference to those young people, and I am distressed that that is to be taken from them as a result of the Bill. We have offered the Government so many ways in these difficult circumstances to manage those policies through. We have offered them the opportunity to set a target for a time or to cease paying into those funds for a time. We have pleaded with the Government not to scrap them entirely, not least because they have nothing better to put in their place.

The Government are taking £18 billion out of the incomes of low-income households and half a million jobs out of the public sector, many of them for the lowest-paid workers, and then they have the temerity to say that, in addition, they will remove the £190 health in pregnancy grant because, they claim, there are other things to support pregnant women. That is indecent and ungenerous, and I am distressed that so many Government Members consider it acceptable, necessary or even desirable. I very much hope that when the Bill moves to another place, there will be an opportunity to amend the clauses in a way that we have regrettably not been able to do. I regret that the Bill is going forward in its current form, despite the best efforts of my right hon. and hon. Friends.

Question put, That the Bill be now read the Third time.

The House divided: Ayes 311, Noes 224.

Division No. 125] **[10 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newman, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo

Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Willott, Jenny
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and Mr Philip Dunne

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David

Tellers for the Noes:
Angela Smith and Graham Jones

Question accordingly agreed to.
Bill read the Third time and passed.

Business without Debate

STANDARDS AND PRIVILEGES

Ordered,

That Mr Jim Cunningham be discharged from the Committee on Standards and Privileges and Tom Blenkinsop be added.—*(Sir George Young.)*

ADMINISTRATION

Ordered,

That Mr Tom Harris and Mrs Siân C. James be discharged from the Administration Committee and Mr John Spellar and Mr Dave Watts be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

WELSH AFFAIRS

Ordered,

That Nia Griffith be discharged from the Welsh Affairs Committee and Mrs Siân C. James be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

ADJOURNMENT (CHRISTMAS; AND FEBRUARY, EASTER AND MAY 2011)

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising on Tuesday 21 December 2010, do adjourn till Monday 10 January 2011; at its rising on Thursday 17 February 2011, do adjourn till Monday 28 February 2011; at its rising on Tuesday 5 April 2011, do adjourn till Tuesday 26 April 2011; and at its rising on Thursday 28 April 2011, do adjourn till Tuesday 3 May 2011.—*(Sir George Young.)*

Question agreed to.

Housing Benefit (West Ham)

Motion made, and Question proposed, That this House do now adjourn—*(Miss Chloe Smith.)*

10.14 pm

Lyn Brown (West Ham) (Lab): I am grateful to have secured this debate, which seems particularly timely given today's announcement by the Minister for Housing and Local Government. Time and again, we have been told that the aim of the Government's welfare reform package, including the reform of housing benefit, is to make work pay. Today, we have found out that if people living in social housing get a new job, or a promotion or pay rise, they may lose their home. So much for making work pay. However, that is a debate for another day.

I have a strong feeling of déjà vu about this debate. Housing benefit, and the difficulties that it poses to my constituents, has been a theme to which I have returned over past years, campaigning with a number of colleagues on the Labour Benches to identify an approach that makes work pay, and, by doing so, protects the public purse. I hope that despite the fact that the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb), and I do not sit on the same side of the House, we too might work together to find some common ground and work towards common aims.

For the record, I do understand why housing benefit is seen as such a prize when the Government want public spending reduced. If I have my maths about right, housing benefit, combined with council tax benefit, is almost equal to all the other means-tested benefits added together. There are some rather easy, even cheap, political points to be scored by citing examples of abnormally high housing benefit for highly untypical large houses in high-rent areas. However, I do not believe that the changes proposed by the Government will solve the real difficulties faced by many of my constituents. They will, I believe, compound social and housing problems and become a greater cost to the taxpayer. Incidentally, a point worth noting and often forgotten is that many of those worst affected by the changes will be taxpayers too.

I represent a London borough—Newham—which has the fourth highest level of child poverty and the sixth highest level of deprivation in the country. The gross earnings figure for the bottom quarter of employees in Newham last year was 23% lower than the figure for London, and the average wage for those living in the borough is just £455 per week. As I am sure the Minister will acknowledge, that does not go far in an area where the costs of day-to-day essentials, including child care and housing, are so very high. The average house price in Newham is £221,801, which is 9.4 times the average income.

The implementation of the Government's proposals will result in many private renters having their housing benefit, and therefore their income, driven down by a harsh reduction in local housing allowance rates. It is not as though private tenants claiming housing benefit have had it easy up to now. Even at the current rates, nearly half of local housing allowance claimants in Newham currently face shortfalls of almost £100 a month in meeting their rent obligations. Estimates by the London borough of Newham suggest that, as a

[Lyn Brown]

result of the change in local housing allowance alone, more than 6,300 people in Newham—three quarters of the LHA claimants in the borough—will face shortfalls between the LHA that they receive and the rent they have to pay.

Some 40% of local housing allowance claimants work, and Newham council's housing benefit team tells me that their average net annual earnings are just over £8,000 a year. I am sure the Minister will acknowledge that that is not a fortune, and makes it genuinely difficult to make ends meet in an expensive capital city. The cuts will push many already struggling families to breaking point.

Community Links is a fabulous local charity that, among its many activities, provides debt and benefit advice. As I am sure the Minister will appreciate, it is particularly concerned, given last week's announcement on legal aid, that it will not be able to provide advice services for some of the most vulnerable in our community, and I expect that that will be the subject of much further, more anxious debate in this Chamber. In addition, Community Links reports that the numbers seeking debt advice have doubled in the past two years.

As Shelter has said:

"For those households already struggling to balance very tight budgets, a reduction in LHA will only push more of them over the edge, triggering a spiral of debt, eviction and homelessness."

Things can only get worse, as the LHA allowance will effectively be cut year by year for ever. I must admit that even the ingrained cynic in me was a little staggered to learn that the measure of inflation to be used in calculating increases in LHA is the one that deliberately excludes housing costs. Over the past decade alone, it has risen at a third of the rate of private sector rents. How cynical is that?

Citizens Advice believes that many will face eviction in a matter of weeks after the cuts are imposed. The non-regional, one-size-fits-all LHA cap will make it almost impossible for low-income households to rent in the private sector in inner London. That will have an impact on outer London areas such as my own. In east London, low-income households will be priced out of areas such as Hackney and Tower Hamlets, forcing people to look for accommodation where rents are lower. Rents in Newham are lower than in neighbouring Whitechapel, in Tower Hamlets, and far lower than in Islington and Westminster. According to information sourced from the Greater London authority, the cost of a two-bedroom property in Whitechapel ranges from £271 to £369 per week. In Stratford, which is just a few short miles away, it ranges from £204 to £250.

I believe we will see evictees from Tower Hamlets crossing the border to stay with families in Newham and declaring themselves homeless once there. The impact on homelessness rates could be catastrophic. The Minister will be aware that Newham is already home to high proportions and concentrations of low-income households. The private rented sector is large and expanding. In my borough, 30,000-plus people are on the council waiting list. Newham already has more people on waiting lists for social housing and living in temporary accommodation than any other London borough. As well as housing, other services will be badly hit as a consequence of the cap in other areas. Newham will be left dealing with more pressure on school places, doctors' surgeries, jobcentres and social services. Our schools are already over-subscribed.

Those problems will emerge as the council and other providers are forced to retract services due to the swingeing cuts in their budgets, and—I assure the Minister that this is not rhetoric—the cuts to Newham council's budget are, by any definition, swingeing. Just to heap coals on the heads of our people, it is also clear that the employed residents of Newham are very reliant on public sector jobs; indeed, they are in the highest category in that respect according to the latest survey. That is what is called a double whammy.

I want to touch on the suggestion that the changes will give us an opportunity to renegotiate rents and place more power in the hands of the citizen. Westminster council's cabinet member for housing writes of the need to

"support the reduction of the housing benefit bill...which was distorting private sector rents."

Councillor Roe explains:

"Once the lower rate is in place, we believe rents will fall, as landlords will not be able to charge such high sums."

I gently suggest, first, that the distortion of private sector rents was brought about by the deregulation of rents. I would also suggest that Councillor Roe is sadly over-optimistic about the direction of private sector rents, certainly in London. A survey of London landlords finds that when the shortfall in rent rises to more than £20 a week, more than 90% of landlords renting properties to LHA recipients in London would look to evict tenants who fall into arrears or not to renew the tenancy at the end of the rental period. Controls to limit evictions for families with manageable arrears are completely absent from the system. Using Department for Work and Pensions figures and results from the survey, it can be estimated that 82,000 households across London will be at risk of losing their home as a result of the changes.

The elected mayor of Newham, Sir Robin Wales, wrote to Lord Freud outlining his concerns about the LHA cap and the impact on Newham. In his reply, Lord Freud acknowledges the concerns, stating:

"We appreciate that outer London boroughs could be faced with an increased number of new Housing Benefit customers needing access to additional services such as schools and health care. We will look at the wider impacts on local authority housing departments, and other local services particularly with regard to social mobility, homelessness and overcrowding...We will ensure that the full range of options for customers facing a shortfall in their rent, from renegotiating their rent levels through to applying to their local authority for assistance in obtaining alternative accommodation, is publicised, and that people are encouraged to consider those options in good time".

Stephen Pound (Ealing North) (Lab): I am reluctant to interrupt my hon. Friend because she is making an extremely powerful case, but is she as nauseated as I am by the use of the word "customer" in that context? A "customer" is a person who makes a decision on alternatives in a market economy, so are recipients of housing benefit—those human beings—to be denigrated as "customers"?

Lyn Brown: I am happy to agree with my hon. Friend. A customer has choice, but I am sad to say that the people of Newham will have very little choice. What options are open to those facing a shortfall in rent?

What alternative accommodation and what options to renegotiate will they have? There are 35,000 households in private rented accommodation in Newham, almost a third of which are on housing benefit. Given that the rents in my area are relatively low compared with the boroughs immediately adjacent and to the west, it is absurd to suggest that the changes will force down rents in the area, or that residents will have the option to renegotiate their rents downwards. The private sector in Newham can and will soak up the properties left by those who, owing to the changes, have to leave their homes. The changes will mean that those dependent on housing benefit will be unable to afford to live in Newham.

The Minister will also know that, despite the Housing Act 2004, there is a dark side to a small proportion of the private rented market. Anecdotal evidence from head teachers in my local schools suggests that a new breed of slum landlords who rent out houses to families by the room is emerging. I am also told that some landlords will rent only to migrants, because they are less likely to know their rights. As we know, landlords should turn down families who have too many children for the rooms available. Instead, vulnerable tenants are claiming for space that they are not allowed to use as other families are squeezed alongside them. That is a benefit fraud, and it is perpetrated at the behest of landlords.

There are currently not enough resources to police the growth in multiple occupation, which will increase exponentially as the single-room rent is extended up to the age of 35. However, regardless of those extreme cases, it is clear that the cuts in housing benefit will force many more households into overcrowded and substandard accommodation.

My hon. Friends and I have spoken many times before of the knock-on effects on families of being shunted around from house to house and living in poor conditions; of the profound impact that that can have on health, education, inclusion in the community and mental well-being; and of the dreadful impact on children and their ability to achieve their potential. There will be more stress and conflict as unemployed family members are unable to pay their non-dependant deductions, which are set to increase disproportionately. As Crisis has pointed out, there will be more single homelessness and, yes, more NEETS—people not in education, employment or training—in this big society.

I believe that the situation will now get worse. Last week's announcements by the Secretary of State for Work and Pensions compounded all the problems that I have outlined. The universal benefit and its cap, set at £500 per week per family, will effectively mean pricing low-income families out of the capital. Citizens Advice has stated that

"we are very concerned that the Government appears to be rushing into benefits policies that have not been thought through, or tested for their impact on individuals...The fact that the cap applies regardless of household size means that it will inevitably fall hardest on families with children.

Coming as it does on top of the cuts to housing benefit announced in June's emergency budget, a cap of £500 a week on household benefits will price many low income families out of living in London and the south-east of England altogether, and if it goes ahead will inevitably lead to widespread hardship, debt and homelessness...For example, a couple with four children currently receiving £350 a week in jobseekers allowance...child tax credit...and child benefit...and £25 in council tax benefit would be left with a maximum of £125 per week for rent."

The Government's impact assessment had little to say about the impact on children and poverty, yet London Councils calculates that nearly 80% of the households affected by the cap in London will be households with children.

Let us also recognise that there will be many thousands of families whose breadwinners may lose their jobs, but be horrified at the thought of claiming benefits. It is insulting to suggest that those people will have made a lifestyle choice to claim jobseeker's allowance. In Newham, it is currently estimated that 1,900 families will be affected by the absolute cap. There will be many more after the cuts to the public sector have impacted and unemployment in my constituency has risen. The 10% sanction on housing benefit for people who have been unemployed for 12 months will hit my constituents especially hard. There are 1,910 JSA claimants who have been out of work for a year or more in Newham, and 10,196 people claiming JSA in the borough. Nine JSA claimants are competing for each unfilled job vacancy in Newham, compared with a national average of 5:1. I genuinely believe that the 10% cut presupposes that living on £65 a week jobseeker's allowance is a lifestyle choice.

The Budget and the comprehensive spending review proposals are unjust, and they appear to have been thrown together with a disregard for the consequences. This attempt to save money will, I believe, store up problems for the future. The problems of homelessness, debt, unstable homes and constant moves impact on children and families, preventing children from belonging to a community and fulfilling their potential, and storing up social problems that all the Sure Start facilities in the world will not be able to solve. It is truly difficult to see how that fits with the Government's commitment to end child poverty. This is not the big society. Quite the reverse: it is the sound of doors clanging shut and communities breaking apart. There appears to be a poverty of compassion in the coalition.

I hope that I have begun to outline some of the difficulties that I believe my community will face, given the changing benefit scene. I hope that the Minister will be able to address those concerns and offer some understanding both of the circumstances of Londoners and my constituents on low incomes, and of their challenges ahead. I and many anxious residents of Newham will listen eagerly to what he has to offer.

10.34 pm

The Minister of State, Department for Work and Pensions (Steve Webb): I congratulate the hon. Member for West Ham (Lyn Brown) on securing this important debate and on her track record of raising such issues in the House—as she said, from the Government Benches, which are indeed still here. I agree with a good deal of what she has said in the past about the issue. Two years ago she told the House:

"My message is that the housing benefit system is in desperate need of reform."

She then quoted one of her constituents, who had said that they were

[Steve Webb]

"trapped in benefits, prevented from returning to work—all my wages would just go to pay the rent and I would be worse off." [*Official Report*, 5 November 2008; Vol. 482, c. 293-94.]

I suppose I was hoping that today she would come up with some suggestions for how housing benefit should be reformed to address those problems. In anticipation of her speech, I checked what the Labour manifesto said on the subject. Surprisingly, I found that I entirely agreed with that as well. It said:

"Housing Benefit will be reformed to ensure that we do not subsidise people to live in the private sector on rents that other ordinary working families could not afford."

The basis for one of the key reforms to which the hon. Lady referred and which has most impact in Newham is the switch to paying rent based not on the 50th percentile, which is the current regime, but on the 30th percentile, which is more or less the typical rent for a low-income working household. That seems to be, almost verbatim, the policy on which she stood at the last election and which we are now implementing. Yet she is saying that the impact of that will have the single biggest impact on her constituency because the cap overall has relatively little impact, and that she now opposes that policy. I am not entirely sure that that is consistent.

The hon. Lady was critical of the universal credit, which my right hon. Friend the Secretary of State has proposed and which is designed to address just the sort of barriers to work that she is worried about by reducing withdrawal rates, albeit relatively modestly, and reducing barriers to work so that when people such as her constituents take jobs they will know that they are better off. I hope that on reflection she will be more charitably disposed to those reforms.

I will not dwell at length on the reasons for the reform, because time is limited, but it is true that cost is one. Housing benefit costs have risen by £1 billion a year in each of the past five years, partly due to the recession, but also to rising rent levels, so there is a need for action. But the issue is not just about cost; it is about fairness. The hon. Lady did not address why it is fair that someone on benefit, albeit not through any fault of their own, should have a wider choice of properties than someone in a low-paid job, and that is how the current system works. That is the current regime.

Lyn Brown: My basic tenet is that it is not possible to exist with the universal cap level and pay the rent of a London property, whether it is a two-bedroom flat over a fish and chip shop in Green street, or somewhere a little more palatial, perhaps further out. The taper in the benefit system, which the Minister rightly said I spoke about previously, is a disincentive for people who are trying to work, but we now have a cap and there will be no opportunity for them to negotiate their rent downwards. I cannot see how the reform that the Minister talks about will improve matters at all.

Steve Webb: With respect, the hon. Lady is conflating about three different changes. The universal credit is nothing to do with the cap. It is a separate proposition, and the details are yet to be announced. We have already announced exemptions, and people in work who receive working tax credit will not face the cap at all. That is part of the response to her point. No one in work and receiving working tax credit will be affected by the overall benefit cap, nor will anyone on disability living allowance, but the details have yet to be worked out. The universal credit—not the universal cap—is a separate reform designed precisely to address the points that she raises.

I shall try to respond to some of the more specific issues that the hon. Lady raised about her constituency. Our estimate is that in her borough of Newham, 32% of properties in the private rented sector will be available to people on local housing allowance.

Sheila Gilmore (Edinburgh East) (Lab): Will the Minister give way?

Steve Webb: I have only six minutes left in which to respond to the hon. Lady, and it is probably important to do that rather than to respond to another hon. Member.

I have explained our broad estimate. A good proportion of rental properties will be available throughout the borough, but I agree that we do not want constant moves. No one wants that. The challenge is to ensure that when people enter a tenancy agreement they do so sustainably. All we are trying to do is to ensure that the choices made by people on benefit at the start of a tenancy, when they choose a property and a rent, involve the same constraints as for someone in low-paid work. The change is not designed to be penal; it is designed to be fair and equal. That is the idea.

The hon. Lady cited a figure of 82,000 people being at risk of losing their home, but that was based on London Councils research and not that of the Department for Work and Pensions, and it was based on a fairly low response rate from landlords. Moreover, landlords are bound to say that they do not want any reform that is going to cap what they get. Landlords have been the principal beneficiaries of the local housing allowance system. We have already seen private sector rents falling in the past 18 months, yet the rents paid to people on LHA have been going up. Through housing benefit and LHA, we are putting more than £21 billion a year into that market, and it would be implausible to suggest that we are not having an effect on it.

We believe in trying to restrain the growth in rents, although in four years' time, we will still be spending more in cash terms on housing benefits than we are this year. I think that the hon. Lady used the term "swingeing cuts" about something else, but these are not swingeing cuts. This is about restraining the rate of growth of housing benefit, so it is a far more modest reform than she suggests.

The hon. Lady raised the issue of slum landlords, for whom we have no time, and one of the things we want to do is to change landlord behaviour, which is crucial. We are considering whether, by paying housing benefit directly to landlords, we could use that leverage to try to get rents down. Yes, some people might face shortfalls—I accept that point, although I think that the figures might sometimes be exaggerated—but we are not in a static situation. The question is: what happens next? If landlords, particularly those renting to housing benefit and LHA tenants, see that we are not simply going to follow the market up, that could change rent-setting behaviour.

The hon. Lady made a point about the consumer prices index, and about the way in which we are going to index LHA in the future. Her view seemed to be that we should simply follow the market, but we think that that has been the biggest problem with LHA over the years. We have actually stoked up the market, and then increased LHA to keep pace with the market, so that rents keep rising. We are not getting good quality accommodation, however; we are simply driving up rents, and that is not what we want to spend public money on.

I want to come back to the hon. Lady's point about constant moves and people being constantly moved around an area. Clearly, there is an issue about the transition to the new regime, and we are trebling the discretionary housing payment system. More of that money will go to boroughs such as her own and to other inner London boroughs that are most affected, because we want the particularly hard cases, where people are particularly affected by the changes, to have extra resources to deal with that. However, the long-term goal has to be to try to get rent levels under control, rather than to keep stoking them up.

The hon. Lady referred in the debate in 2008 to the impact of high rents in temporary accommodation. She said:

> "My constituents are virtually imprisoned by the excessively high rents charged for temporary accommodation".—*[Official Report, 5 November 2008; Vol. 482, c. 293.]*

She was absolutely right, and in April 2010, a cap was introduced on the rents in temporary accommodation. Since then, the early evidence has shown that the rents in those properties have started to fall, so we have a precedent for what we are doing now. This is not nationwide, systematic evidence, but the early evidence suggests that what we are saying will happen in the wider market is already happening in the temporary accommodation market. That is what we as taxpayers, and as people who are concerned about our constituents, want to see. We want to see more of our money providing accommodation for people, and less of it simply stoking up the private rented sector.

The hon. Lady also raised the issue of the changes to non-dependant deductions. They have been frozen for a number of years instead of being indexed, which would have been a more natural policy, and all we are doing is returning them to the level at which they would have been, had they been indexed. So, yes, there is an increase, but we are simply taking them back to their real value of a few years ago. She mentioned the consumer prices index being applied for ever, but that is not the intention. It will come into the LHA rates in 2013 for two years, and we will then look at the market and the impact of the changes that have been made. So we are trying to introduce a cap and to restrain the rate of growth of rents, but we are trying to do that with some flexibility. We will look at the broad rental market areas when we do that and try to ensure that they fit the local housing market situation.

I want to try to draw some of those threads together. First, it is vital that we do not overstate the impact of the changes. There will be an impact, but some of the numbers that get thrown around, such as 82,000, are an exaggeration. We will see what impact they have, and there is the possibility of different rent levels as a result of the changes. There are also discretionary housing payments. The idea is to get good value for the taxpayer, but not to cause misery for the hon. Lady's constituents. That is not our intention, and I do not believe that we will do that.

Question put and agreed to.

10.44 pm

House adjourned.

House of Commons

Tuesday 23 November 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Imprisonment for Public Protection

1. **John Mann** (Bassetlaw) (Lab): How many prisoners who have completed their tariff remain in prison for the purpose of public protection. [25560]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): On 17 November 2010, 14,680 prisoners were serving an indeterminate sentence of imprisonment for public protection, or a life sentence in prisons or secure hospitals. Of those, 6,320 are held beyond their tariff expiry date, excluding offenders who have been recalled to custody following release.

John Mann: Those prisoners have been held in prison for good reasons and on good judgment. Does the Secretary of State intend, as is rumoured throughout prisons, to reduce the number of such offenders in prison? If so, how many sex offenders and violent criminals will be released back into our communities?

Mr Clarke: That rumour is probably on the hon. Gentleman's website where I have seen that he is telling his constituents that I will release robbers, burglars, drug dealers and so on. Perhaps he will wait for the sentencing review, and stop living in a fantasy world. The indeterminate prison sentence has never worked as intended. The intention was that it would apply to a few hundred dangerous people who were not serving life sentences. The number is piling up, and more than 6,000 have gone beyond their tariff, but they will not simply be released. We will re-address the subject, and we will not release all the people he keeps telling his constituents we will release.

Tom Brake (Carshalton and Wallington) (LD): Will the Secretary of State look at the Prison Reform Trust's report and specifically conduct a review of the social and financial costs and benefits of IPP sentences, and examine the available policy options set out by the trust?

Mr Clarke: We are taking a balanced look at the whole subject. The Prison Reform Trust takes quite the opposite view to that of the hon. Member for Bassetlaw (John Mann). It believes that those sentences should be scrapped entirely. It is critical of the way they work, and it is clear that they are not working as intended, but the Government are hoping to take a balanced view. We must obviously protect the public against dangerous people and the risk of serious offences being committed on release. On the other hand, about 10% of the entire prison population will be serving IPP sentences by 2015 at the present rate of progress, and we cannot keep piling up an ever-mounting number of people who are likely never to be released.

Mr Jack Straw (Blackburn) (Lab): Does the Secretary of State accept that it is inherent in both life sentences and the concept of IPP sentences, which are widely supported throughout the Chamber, that many prisoners will be tariff-expired because the idea is that they are not released until it is judged that it is safe to do so? Does he also accept that although it is true that the precise construction of the clauses was inappropriate and led to some very short tariffs, since the changes that I introduced in 2008, the number of new IPP sentenced prisoners has dropped by 50% from about 1,500 to under 1,000 a year? Would it not be far better for public safety to let that work through instead of prematurely releasing such prisoners?

Mr Clarke: No, it has always been the case that some people are held indeterminately, and certainly those on life sentences. The purpose of IPP sentences was to have a sentence below a life sentence for dangerous people for whom life was not quite justified. The right hon. Gentleman will accept that such sentences never worked as intended, which is why, when he was Secretary of State, he introduced an Act of Parliament to try to correct some of the mistakes that had been made. We are now considering how the sentence works in practice, and we will introduce considered proposals in due course.

Administration of Justice

2. **Guy Opperman** (Hexham) (Con): What proposals he is considering to increase the level of efficiency in the administration of justice. [25561]

The Minister for Policing and Criminal Justice (Nick Herbert): Following the spending review, the Ministry of Justice must make a total budgetary saving, including resource and capital spending, of 25% in real terms between 2010-11 and 2014-15.

Guy Opperman: I remind the House of my former profession of barrister. Eleven years ago, the Labour Government introduced the Woolf reforms, which changed all manner of process in the civil courts. What detailed proposals does the Minister have for the same telephone case management in criminal work, particularly post-not guilty pleas, and after-guilty pleas and sending matters for pre-sentence report?

Nick Herbert: We are certainly interested in improving the efficiency of justice by looking at case management, and some encouraging pilots have been run in London, in which costs have been saved through integrated case management arrangements between the Crown Prosecution Service and the police. We are also very interested in employing the greater use of technology, such as virtual courts, and I would be very happy to talk to my hon. Friend about other ideas as well.

Robert Flello (Stoke-on-Trent South) (Lab): In the name of so-called efficiency of justice, the Secretary of State has scrapped the post of chief coroner, a move widely condemned by organisations such as Inquest and the Royal British Legion. They point out that tens of thousands of people every year are forced to grapple with the archaic, unaccountable coroners system, which needs the reforms promised by the Coroners and Justice Act 2009. The Minister said that scrapping the chief coroner was necessary to save money, but what assessment has he made of the increased costs that will be incurred through the greater use of judicial review, which is bound to result from this short-sighted decision? May I invite the Secretary of State or his Minister to put on record now exactly what the real cost will be of that false efficiency? Or will he take this opportunity to reverse that misguided proposal?

Nick Herbert: We do not think that this was a sustainable proposal, with set-up costs of £10 million and running costs of £6 million a year. The important thing now is to reform the coroners system appropriately to ensure the efficient administration of justice in this area.

Sir Alan Beith (Berwick-upon-Tweed) (LD): What steps are Ministers taking to ensure that savings do not simply become higher costs for other Departments or other parts of their own Department, whether in the context of magistrates court closures, which adds to police costs, or changes in the legal aid system that generate demand for expenditure elsewhere? Is there a mechanism for assessing how costs will fall elsewhere?

Nick Herbert: I agree with my right hon. Friend about the importance of ensuring that what he describes does not happen, but he will know that there is significant under-utilisation of magistrates courts. That is why we have had to take this action in consulting about closure, not least in relation to the Tynedale magistrates court, which is adjacent to his constituency in Northumberland and which is operating at a utilisation rate of only about two thirds.

National Offender Management Service

3. **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): What assessment he has made of the adequacy of the support given by the National Offender Management Service to children in young offender institutions who have been in care. [25562]

The Minister for Policing and Criminal Justice (Nick Herbert): The National Offender Management Service has a responsibility to safeguard the welfare of all young people in custody, and all young offender institutions are regularly inspected by Her Majesty's inspectorate of prisons. Revised guidance on the responsibilities of local authorities to support young people leaving care is due to be published shortly by the Department for Education. It will include a chapter dedicated to the responsibilities for supporting care leavers involved in the criminal justice system.

Luciana Berger: I thank the Minister for that reply. I recently met representatives of the Liverpool Children in Care Council and heard young people expressing concern about the level of support given to young offenders who are looked-after children. Typically, they do not have the same support networks that other young offenders have. Will the Minister now commit to revisiting this issue to ensure that vulnerable young offenders are given the help and support that they need to get their lives back on track?

Nick Herbert: I certainly agree with the hon. Lady about the importance of providing such support. Last week, I visited Feltham young offenders institution with the Mayor of London and saw how innovative arrangements to provide greater support and counselling for young people had a considerably reduced the recidivism rate on a particular wing in that institution. That shows that, with better rehabilitation, we can get better results. I would be very happy to talk to the hon. Lady about any specific ideas she might have for improving the system.

Mr David Burrowes (Enfield, Southgate) (Con): Is it any wonder that children in care do not have the necessary continuity of support once they are in custody, given that the full financial responsibility of local authorities is lost at that point? Will the Government ensure that when such children in care are in custody, they are not out of sight, out of mind and off the financial books of the local authorities?

Nick Herbert: It is important to ensure that the incentives are right, that we deter the inappropriate use of custody for young people and that local authorities are fully focused on what they need to do to reduce recidivism before the use of custody becomes important.

Mr George Howarth (Knowsley) (Lab): The Minister will be aware that, according to a written ministerial statement today, the Omand review of the case of Jon Venables was released this morning. It is 114 pages long. Is he also aware that my constituent, Ralph Bulger, the father of James Bulger, and his brother Jimmy Bulger knew nothing about the release of this report today until the media contacted them, asking for a statement on what they thought would be in this 114-page document? Can he ensure that this kind of thing does not happen again?

Nick Herbert: My understanding is that appropriate arrangements should have been made, and that Mr Bulger was aware of the report but not its release. I shall of course look into the matter, and I am happy to talk to the right hon. Gentleman about what went wrong, if something went wrong in this case.

Sentencing Policy

5. **Sarah Newton** (Truro and Falmouth) (Con): What recent progress he has made on reviewing his Department's policy on unduly lenient sentences. [25564]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): The powers of the Attorney-General and Solicitor-General to refer certain Crown court sentences to the Court of Appeal on the grounds of undue leniency are working well.

Sarah Newton: I am particularly concerned with the sentencing of people convicted of paedophilia and believe that the policy review should be based on evidence.

What assurance can the Minister provide that data that the Ministry of Justice collects will separate crimes of paedophilia from all sexual offences as currently recorded? Without that data it will be difficult to review the appropriateness or otherwise of current sentencing policy.

Mr Blunt: I can well understand my hon. Friend's concern. All offences of sufficient seriousness to be tried only in the Crown court can be referred through the unduly lenient sentences process to the Attorney-General or the Solicitor-General; and 17 of the 31 offences that are triable either way and listed in statutory instrument 2006/1116 refer to offences against children, which reflects how seriously the House takes the matter.

Sadiq Khan (Tooting) (Lab): Thank you, Mr Speaker. You will be aware that on three occasions over the past two weeks the Secretary of State for Justice and the Deputy Prime Minister's deputy—the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper)—have come to the Chamber and essentially repeated from the Dispatch Box announcements already made in the media.

I want to ask the Minister about reports in this Sunday's papers on the Department's sentencing plans. The current Prime Minister in March, the Conservative party manifesto in April and the Secretary of State in June all said words to the effect: "We will introduce a system where the courts will specify minimum and maximum sentences for certain offenders. These prisoners will only be able to leave jail after their minimum sentence is served by having earned their release, not simply by right." Will the sentencing review ditch that policy or keep it?

Mr Blunt: I am afraid the shadow Secretary of State will have to wait until we produce the policy. It is entirely appropriate that it be presented to the House first.

Sadiq Khan: It is outrageous that we have to buy *The Times* and read *The Daily Telegraph* to see what the Government are planning. That is not new politics, that is not the way to do things, and the Secretary of State, who has been an MP for 40 years and served in three Cabinets, should know better.

The Minister ducked the previous question, but he and, indeed, the Secretary of State know that knife-crime cases cause real and lasting misery to the victims, to bereaved families and to communities. Before the general election and in their manifesto, the Conservatives were quite clear, because they said that

"anyone convicted of a knife crime can expect to face a prison sentence."

We know what the press say their Government will do, but what will the Minister do in the sentencing review to be published next week?

Mr Blunt: This may be slightly tedious, but I must say again that the shadow Secretary of State will have to wait until the proposals are presented in a comprehensive fashion to the House. Of course, knife crime is an extremely serious offence, as we have acknowledged, but, as far as the precise proposals are concerned, the right hon. Gentleman, like everyone else, will have to wait until they are presented in a coherent fashion to the House first, as is appropriate.

Prisoners (Voting Rights)

6. **Roberta Blackman-Woods** (City of Durham) (Lab): What discussions he has had with the Deputy Prime Minister on the effects on prisons and prison staff of making arrangements for the implementation of voting rights for prisoners. [25565]

9. **Mr William Bain** (Glasgow North East) (Lab): What discussions he has had with the Deputy Prime Minister on the effects on prisons and prison staff of making arrangements for the implementation of voting rights for prisoners. [25568]

10. **John Woodcock** (Barrow and Furness) (Lab/Co-op): What discussions he has had with the Deputy Prime Minister on the effects on prisons and prison staff of making arrangements for the implementation of voting rights for prisoners. [25569]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): Ministers are considering how to implement the judgment of the European Court of Human Rights, and when decisions have been taken, they will be announced to the House in the usual way.

Roberta Blackman-Woods: I am sure the Secretary of State is aware that prison staff already have to deal with requests for further information about how voting rights will be implemented—not only from prisoners, but from local communities who have grave concerns about the matter. Will he meet a group of MPs for whom that is a particular concern, so that the needs of our constituents might be considered?

Mr Clarke: I will consider that request when we have announced our conclusions, which we will, to the House. The previous Government were incapable of taking a decision on the Hirst recommendation, which was made five years ago, and we are about to produce our proposals. I would point out that remand prisoners already vote, and always have voted; they vote by post, and it has never caused any difficulty. In the end, there is no suggestion that prisoners are going to be registered in the prison at which they are Her Majesty's guests. Those that bother to get registered will be registered in constituencies scattered across the country. Of course I will consider the logistics if, after we have produced our proposals, it is apparent that any particular logistical problem will be posed.

Mr Bain: When the Secretary of State meets the Deputy Prime Minister, will he pass on the grave disquiet of the people of Glasgow that the 93 convicted sex offenders, 10 convicted murderers and 15 convicted attempted murderers in Barlinnie jail in my constituency have not been exempted from the Government's review on the right to vote? The Secretary of State knows that neither the European Court of Human Rights nor case law from Strasbourg requires that such individuals should have the right to vote, so why do the Government not just do the right thing and rule it out?

Mr Clarke: There is no suggestion—and there never has been—that every prisoner is going to get the vote. It is not the Government's consultation that is responsible, but a judgment given five years ago by the European

Court of Human Rights—a Council of Europe institution—and we are now deciding how to implement it. I cannot anticipate the Government's decision, which will be taken collectively by Ministers, but the idea that lots of murderers and rapists in Barlinnie prison are all going to be given the vote is, I suspect, rather fanciful.

John Woodcock: The Secretary of State must understand the grave concern about this measure from the public and, I hope, from both sides of the House. If the Secretary of State is clear that there is no suggestion that murderers and rapists will be given the vote, why will he not simply rule out at least those two categories right now?

Mr Clarke: The principal consideration is to take a decision and present it to the House. I am trying to shoot down some of the fanciful ideas that have been expressed. I understand the real concern about this: most of the House would have preferred not to change at all the existing ban on prisoners voting, but doing nothing—the previous Government's position—and allowing solicitors to go running around prisons signing up prisoners to get compensation for having their civil liberties denied is piling up quite a bill. I can assure the hon. Gentleman that Ministers will very soon resolve any uncertainty.

Mark Pritchard (The Wrekin) (Con): But is there not a contradiction at the heart of the Government's policy? Currently, all Members of Parliament represent all prisoners living in prisons within their constituency, yet the Secretary of State has said that they will be represented by Members of the constituencies where they were last registered. That contradiction needs to be resolved if representation of prisoners by prisoners is to be taken seriously.

Mr Clarke: I think there is some confusion in the House about the convention that applies, which both I and my hon. Friend should resolve—although it is not my responsibility to resolve it. I take the view that I represent my constituents when they are in prison wherever it is that they are imprisoned, but I know that other MPs take the view that they represent every resident of a prison in their constituency. Perhaps we should resolve the parliamentary conventions on this matter at the same time as we have a look at which prisoners might have voting rights.

Mr Robert Buckland (South Swindon) (Con): In considering the Government's policy on this thorny issue, will the Secretary of State, if he has to abide by the ruling of the European Court of Human Rights, restrict the right to vote to those prisoners at the lowest level of seriousness—for example, those dealt with by the magistrates courts for summary offences only?

Mr Clarke: This applies only to prisoners—obviously, people who have not been in prison do not lose their vote at all. We have to comply with the judgment of the Court. The problem is that this extremely annoying issue will become even more annoying to the public and everyone else if we simply do nothing and wait until some huge financial judgment is made against the taxpayer, which will turn the present public anger into fury. That is why we are going to bring forward considered proposals. At the moment, someone not sent to prison does not lose their vote—irrespective of what other punishment they receive in their summary trial.

Mr David Ruffley (Bury St Edmunds) (Con): The Hirst judgment says that article 3 of protocol 1 of the European convention on human rights obliges this House to give some prisoners the vote; as we have heard, it also gives rise to financial compensation to some prisoners who have been denied that right. Although I sympathise with my right hon. and learned Friend, does he accept that there is an intellectual case for, in time, bringing powers back to Westminster in this area by repealing the Human Rights Act 1998 and withdrawing from the European convention of human rights?

Mr Clarke: There has been another British case today, which has clarified the situation slightly and has underlined the fact that the Government have discretion on how to comply with their obligations. In due course, obviously, we shall establish a commission on how best to give effect to our human rights obligations in this country, but that will not happen until at least next year.

The coalition Government do not intend to withdraw from the European convention on human rights, which was imposed by the victorious British on the rest of Europe after the war in order to establish British values across the countries that were recovering from fascism and was drafted largely by Sir David Maxwell Fyfe, who put what he thought were the best principles of British justice into it.

Prison Places

7. **Andrew Rosindell** (Romford) (Con): What steps he is taking to increase the number of prison places. [25566]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): Our current plan is to build the prisons to which we are contractually committed. On the basis of current policies, we expect prisoner numbers to rise from about 85,393 last Friday to about 88,000 in 2015, and we expect the implementation of the proposals that will be outlined in the forthcoming Green Paper to reduce that number to about 3,000 fewer than today's figure. We will always provide enough prison places for those who the courts judge should receive a custodial sentence.

Andrew Rosindell: Notwithstanding the Government's efforts to stabilise the prison population, will the Minister assure us that those who commit crimes and deserve to go to prison will continue to do so?

Mr Blunt: Yes.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): The Minister will know that it is a basic human right for people to be incarcerated as near as possible to where they reside. When will the Government comply with that basic requirement by providing a prison facility for north Wales, especially as we understand that Shrewsbury prison is to be closed? Such a prison would serve the whole of mid-Wales as well as north Wales, and, as the Minister knows, its establishment is long overdue.

Mr Blunt: I am not sure that I recognise that as a basic human right, but it is certainly operationally sensible. Providing support for prisoners when they are incarcerated away from their families is an important

part of assisting their rehabilitation into society. However, speculation about which prisons might or might not close in future is not appropriate at this stage. We will conduct a review of prison capacity in the light of the Green Paper and the responses to it, and only at that stage—

Mr Speaker: Order. I think that we have the drift of the Minister's answer. We are grateful.

Tim Farron (Westmorland and Lonsdale) (LD): Surely the reoffending rate is a critical factor affecting the number of prison places that are required. Restorative justice programmes such as that of the Sycamore Tree foundation, which operates at Haverigg prison in Cumbria, are both inexpensive and highly effective in reducing reoffending. What steps is the Minister taking to increase the number of restorative justice programmes in Britain's prisons?

Mr Blunt: I suggest to my hon. Friend that he can look forward to the Green Paper with great interest.

Paul Goggins (Wythenshawe and Sale East) (Lab): According to the latest figures, more than half the prisons in England and Wales are officially overcrowded. If the Minister is ultimately successful in reducing the number of prisoners, what will his priority be—to close prisons or to reduce overcrowding?

Mr Blunt: It is a bit rich for the right hon. Gentleman to ask that question. As a former Prisons Minister, he bears part of the responsibility for the level of overcrowding that we have inherited.

Sadly, the answer is that we are not in a position to create enough prison places to be able to address the problem of overcrowding. That will probably have to wait for more economically propitious times. It will take us a while to get the economy into the shape that will enable us to deal with the prison overcrowding that we have inherited.

Legal Aid (Immigration Appeals)

8. **Mr David Evennett** (Bexleyheath and Crayford) (Con): How much was spent on legal aid for cases in respect of immigration appeals in the last 12 months. [25567]

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): In 2009-10, overall legal aid expenditure on advice and representation in immigration and asylum appeals was £85 million. I should, however, point out that it is not possible to identify expenditure for initial advice separately from expenditure before the immigration and asylum tribunal in cases in which both advice and representation are provided.

Mr Evennett: I thank the Minister for his response. Can he confirm that, under the coalition Government proposals, immigration cases will be taken out of the scope of legal aid?

Mr Djanogly: Yes, I can confirm to my hon. Friend that we are consulting on removing all immigration matters from the scope of legal aid, other than for those in immigration detention. That means removing matters such as varying leave to remain—for example, if a foreign student wants to change their visa to get permission to work instead, or, indeed, to stay here for longer. Such cases will no longer be at the taxpayer's expense.

Keith Vaz (Leicester East) (Lab): One of the ways in which we can cut down on waste in the legal aid budget is to address no-shows by Home Office officials at immigration hearings. Can the Minister tell me the number of cases in which Home Office representatives do not turn up to these hearings and the cost of that to the legal aid bill, or will he write to me with that information?

Mr Djanogly: I will write to the right hon. Gentleman with that information, but I can tell him that it is an issue. Defendants' representatives not turning up for hearings is also an issue.

Mr Andy Slaughter (Hammersmith) (Lab): Responding to Lord Carter's 2006 review of legal aid, the Minister said it put very vulnerable individuals at risk, that people were not being represented and that the structure was "being destroyed", and he concluded:

"I would say it's a meltdown."

Carter reduced the budget by about 5%, whereas the current Government's Green Paper cuts civil legal aid income by 42%. How would the Minister describe that?

Mr Djanogly: The important point to make is that the last Government did, indeed, look at legal aid: they had more than 30 consultations over a five-year period, including Carter. The result of that was that providers and those in receipt of legal aid were lost within the system and did not know where cuts were coming from, and what we are doing now is putting forward a comprehensive review of legal aid, whereby providers and all stakeholders will be able to see their position within the system—and as a result the consultation will be accurate.

Mr Slaughter: Well, we can all make what we will of that, but the fact remains that more than half a million people who may have unfairly lost their job, their income, their right to decent housing or access to their children—or, indeed, who may have been deported from the country, as the Minister has just said—will now go without advice or representation, whereas criminal legal aid and some of the high-cost advocates earning more than £900,000 a year are largely untouched. The Secretary of State said in his statement on these measures that it was important to strike a balance. Does the Minister not think that the balance has been got wrong in this case?

Mr Djanogly: I refer the hon. Gentleman to the consultation document, which has clearly got a section on very high-cost cases, and on which we have significant proposals. More particularly, the Labour manifesto said it wanted to cut legal aid, so if he is going to talk about our cuts, perhaps he might like to say where he would be making cuts in legal aid.

Miscarriages of Justice

11. **Katy Clark** (North Ayrshire and Arran) (Lab): What recent discussions he has had on the provision of services to people who have experienced trauma as a result of a miscarriage of justice. [25570]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): We want to help people who have suffered trauma as a result of a miscarriage of justice to access support that ought already to be available, for instance through the national health service. We will work with the Department of Health, other Departments and the voluntary sector to that end.

Katy Clark: I thank the Minister for that answer. I recently met the Miscarriages of Justice Organisation, as constituents of mine have been affected by having been wrongly imprisoned for lengthy periods. I understand that under the previous Government, the Justice Ministry was looking at how better to provide support services to such people. Is that work still going on, and will the Minister be willing to meet me and other Members with constituents who have been similarly affected, because we are not dealing with this issue well enough at present?

Mr Blunt: I am afraid that we have concluded that, due to the extremely challenging financial climate, it no longer makes sense to go ahead with the work started by the last Government on identifying the unmet medical needs of those who have suffered a miscarriage of justice because there are not going to be additional funds to meet those needs.

Mark Durkan (Foyle) (SDLP): Despite that answer, will the Minister still agree to meet those interested MPs, because in a previous answer he said the Government would ensure that services were available through the NHS, whereas the fact is that they are not? These particular needs can best be met—and most effectively and most cost-efficiently—by having a more discrete system, and it would pay the Minister and the Department to meet these MPs and MOJO.

Mr Blunt: I am, of course, very happy to meet parliamentary colleagues to discuss this issue. Meetings are due between Ministry of Justice officials and those in the Department of Health to see how matters can be improved. I am sure that those discussions will be improved by the knowledge that I will gain from colleagues, so I am happy to have the meetings.

Legal Aid

12. **Christopher Pincher** (Tamworth) (Con): What steps he plans to take to fulfil the aspiration in the coalition agreement to increase the efficiency of the legal aid system. [25571]

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): The consultation document "Proposals for the Reform of Legal Aid in England and Wales", published on 15 November, sets out proposals to make the legal aid scheme more efficient. We looked from first principles at its scope, the eligibility rules, and the fees paid to lawyers and other providers of legal aid. We looked at alternative sources of funding, and we are also consulting on reducing administrative bureaucracy and making the system simpler to operate.

Christopher Pincher: I am grateful to my hon. Friend for that answer, but will he take this opportunity to make it clear that the issues raised by Des Hudson of the Law Society are unfounded, that access to justice will still be available for people who really need it and that worthy organisations such as Citizens Advice are valued by this Government?

Mr Djanogly: Yes, we are certainly very keen to work with voluntary organisations such as Citizens Advice to ensure more efficient and focused provision of legal aid, and included in that will be our proposals for a civil law telephone gateway service. By refocusing legal aid we aim to ensure that taxpayers' money will be prioritised to help the vulnerable receive the legal support that they need.

Mr Jamie Reed (Copeland) (Lab): The Secretary of State will know that proposals to close both the county court and magistrates court in my town of Whitehaven have been met with widespread anxiety and have been condemned by the local bench and local solicitors. Will he agree to meet us, so that he can learn at first hand just how ruinous the proposals would be if enacted?

Mr Djanogly: The courts consultation closed in mid-September. We have been examining the significant number of responses and will be reporting back to the House on them before the new year. I am sure that the representations that the hon. Gentleman has made on his local courts will be examined and, following our decision, I would be happy to meet him.

Offenders (Alcohol Dependency)

13. **Nick Smith** (Blaenau Gwent) (Lab): What recent estimate he has made of the number of offenders with an alcohol dependency. [25572]

17. **Mrs Jenny Chapman** (Darlington) (Lab): What recent estimate he has made of the number of offenders with an alcohol dependency. [25576]

The Minister for Policing and Criminal Justice (Nick Herbert): In a survey carried out in 2005-06, 23% of prisoners sentenced from one month to four years reported having drunk alcohol four weeks prior to custody and said that they would find it quite difficult or impossible to stop drinking. We also estimate that 37% of offenders subject to community orders have an alcohol-related problem linked to their offending and their risk of reconviction.

Nick Smith: I thank the Minister for that reply. Given that alcohol misuse is estimated to cost £7.3 billion in crime and antisocial behaviour, and that it was a factor in 18,000 incidents of violent crime in Wales in 2008, can he assure the House that help for prisoners with alcohol problems will be given the same priority as help for offenders with drug problems?

Nick Herbert: It is important that alcohol problems are tackled, both among offenders given community orders and those in custody. We know that treatment for alcohol problems is cost-effective; the United Kingdom alcohol treatment trial found that for every pound spent on treating problem drinkers £5 is saved on costs to health, social and criminal justice services. That is why, in the long term, providing such services on a payment-by-results basis is the answer.

Mrs Chapman: Given the undeniable link between alcohol misuse and crime, does the Minister believe that someone's being excessively drunk is seen as sufficiently aggravating by the courts when they pass sentence?

Nick Herbert: We have not received any representations to the contrary. These matters can be considered by the Sentencing Guidelines Council, and we believe that sufficient powers are available to the courts. The important thing is that when offenders are sentenced, they should receive adequate treatment—that applies both to community and jail sentences—so that addiction can be dealt with.

Sentencing Policy

14. **Richard Harrington** (Watford) (Con): When he expects to publish his proposals on the future of sentencing policy. [25573]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): We intend to publish a Green Paper setting out proposals on sentencing and rehabilitation in December.

Richard Harrington: On a recent visit to the Hertfordshire probation trust in Watford, I was impressed by the efforts it has made and the success it has achieved in reducing reoffending rates. The staff told me, in particular, of their view that short-term prison sentences were detrimental to those efforts. Will the Secretary of State come to Watford to meet them, so that he can share those experiences?

Mr Clarke: I am grateful for that invitation; I have already received a letter. I shall do my best, although I am not quite sure when I will get to visit the probation trust. The Government are placing particular emphasis on rehabilitation and on reducing our quite appalling reoffending rates, as we have ever since my right hon. Friend the Minister for Policing and Criminal Justice led for us on this matter in opposition. I accept that a great deal of good work is being done on the ground now and obviously we will have to build on it. I quite agree with my hon. Friend the Member for Watford (Richard Harrington) about the ineffectiveness of some short sentences, because nothing whatever is done when people go out of the gate once they have finished their sentence, but I am quite clear that we cannot get rid of all short-term sentences. I have always believed that for a certain number of cases no alternative is reasonably practical for magistrates.

Mr David Hanson (Delyn) (Lab): The crimes of child abduction, gross indecency with children, sexual activity with a child under 13, sexual assault of a female and sexual assault of a male have all attracted custodial sentences of six months or under in the past year. Will the Lord Chancellor give a commitment that under the sentencing review none of those crimes will be subject to community-based sentences, as he has proposed potentially in comments that he has made to date?

Mr Clarke: I have no idea why the heart of our sentencing reform is described by sections of the press and some Members of Parliament as just getting rid of all short-term sentences and replacing them with community sentences. I have no doubt that there is an important role for community sentences, and we must make them more credible, more punitive and more effective—some of them already are. The important thing is that every case should receive the right sentence based on the facts and the offender in order to protect the public. That will be the underlying aim of the entire sentencing review.

Legal Aid (Clinical Negligence Cases)

15. **Dr Sarah Wollaston** (Totnes) (Con): What assessment he has made of the effects on the NHS of removing clinical negligence from the scope of legal aid. [25574]

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): Clinical negligence cases against the NHS are funded approximately 50:50 between legal aid and no win, no fee agreements with lawyers. We will be interested to understand through our consultation the specific impact on the NHS of the removal of clinical negligence cases from the scope of legal aid, which should save some £17 million to legal aid. However, we also estimate that our proposals to reform no win, no fee conditional fee agreements will save around £50 million each year to the NHS in reduced legal costs.

Dr Wollaston: Could reducing legal aid for clinical negligence lead to an upsurge in no win, no fee deals and an increase in the compensation culture?

Mr Djanogly: My hon. Friend is right to point out that changes in one area can have knock-on implications in another area. It is important to point out that that is precisely why we put out the legal aid consultation document on the same day as Sir Rupert Jackson's proposals on no win, no fee agreements. The two can be weighed up together and the consultation will therefore take a holistic approach.

Stephen Timms (East Ham) (Lab): On legal aid, the Minister has spoken today about working with voluntary sector organisations. Community Links' welfare advice service in my area has seen 9,000 people so far this year. It is very cost-effective and has been paid for until now by legal aid. Under the Minister's proposals, it will not be in the future. How will that work be supported by the Government in the period ahead?

Mr Djanogly: People have the option of getting conditional fee agreements, also known as no win, no fee agreements. They can go to a lawyer and that lawyer will take a view on the chances of success. The question that must be asked—we will be very interested to hear the responses to it during the consultation—is whether, if the private sector is not prepared to take on the risk, the public sector should be prepared to do so and what proportion of that risk it will be prepared to take on.

Robert Halfon (Harlow) (Con): Following my question to my right hon. and learned Friend the Lord Chancellor and Secretary of State for Justice during his legal aid statement, is there not a danger that, given the complexity of clinical negligence cases, the most vulnerable will not have access to no win, no fee simply because such companies will not offer their services to them?

Mr Djanogly: There will still be power to grant legal aid in exceptional cases where a CFA will not be available, although that power will be restricted. The fact remains that CFAs will still be available for people with no ability to fund their cases so that they can take proceedings.

Legal Aid (Family Law)

16. **Tony Lloyd** (Manchester Central) (Lab): What estimate he has made of the reduction in the number of family law cases that will be eligible for legal aid during the period of the comprehensive spending review. [25575]

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): We estimate that removing from the scope of legal aid most private family law cases, except for those involving domestic violence, forced marriage and international child abduction, would reduce the number of people receiving advice under the legal aid scheme by about 211,000 annually and of those represented in court by just under 54,000 annually. Together, those figures represent an estimated annual saving of £178 million. However, we have also decided to retain legal aid for mediation to help separating couples sort out their issues without the courts where possible.

Tony Lloyd: The Minister's last point is very important. In many such private cases, child-protection issues arise. Can he give the House an absolute guarantee that private cases in which child protection becomes an issue will still receive legal aid? If not, these cost savings will be at the expense of our children's future.

Mr Djanogly: Absolutely; where a public family law matter arises, that case will remain within scope. If a child is subject to being taken away from their parents, legal aid will be available.

Topical Questions

T1. [25585] **Mrs Jenny Chapman** (Darlington) (Lab): If he will make a statement on his departmental responsibilities.

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): Following the conviction of Jon Venables on 23 July for possessing and distributing indecent images of children, I commissioned Sir David Omand to undertake an independent review into the management of Jon Venables from his release from local authority detention in June 2001 until his recall to custody on 24 February 2010. Today, I have placed a copy of Sir David's report in the Library. Sir David has concluded that Jon Venables was effectively and properly supervised at an appropriate level and frequency of contact, having regard to the particular circumstances of his case. Sir David also concludes that no reasonable supervisory regime would have been expected to detect his use of the computer to download indecent images. The report contains a number of recommendations on the future management of this and similar cases that will be taken forward by the National Offender Management Service.

Mrs Chapman: Nineteen-year-old Scots Guardsman Andrew Gibson was killed in a Darlington nightclub. Yesterday, the Attorney-General said that he was unable to refer what many view as an excessively lenient sentence of just two and a half years to the Court of Appeal. Will the Secretary of State undertake to investigate the awarding of lenient sentences in which alcohol is an aggravating factor?

Mr Clarke: The Attorney-General has a power to exercise in these cases and he has to exercise it in his quasi-judicial role by making a proper judgment and not just reacting politically. I understand the hon. Lady's concern about that case, but sentences are normally imposed by the court that has had the opportunity to hear all the evidence, facts and information about the accused person. The Attorney-General takes seriously his responsibility to step in where a mistake seems to have been made and ask a higher court to consider imposing a more serious sentence. I cannot claim to exercise any control over him in that regard; it is his difficult judgment to take in each case.

T2. [25586] **Andrew Rosindell** (Romford) (Con): The Lord Chancellor will be only too aware that one of his key responsibilities is looking after the Crown dependencies of Jersey, Guernsey, the Isle of Man, Alderney and Sark. Will he explain to the House why the Crown dependencies were yet again refused the right to lay a wreath on Remembrance Sunday this year? Will he address this issue to ensure that next year they can do so like other countries in the Commonwealth?

Mr Clarke: My right hon. Friend Lord McNally has the responsibility and the honour to lead on matters concerning Crown dependencies, which I assure my hon. Friend he takes very seriously. I keep discovering that he has made visits to the Crown dependencies to discuss these matters. I was quite unaware of this problem and I shall make inquiries of Lord McNally and those responsible for the ceremony about the background to this issue of laying a wreath on behalf of the Channel Islands and the Isle of Man.

Sadiq Khan (Tooting) (Lab): The Secretary of State announced in the House last week—a day after ITN—that significant sums of money were to be paid to British residents and citizens who were detained at Guantanamo Bay, and he explained the factors behind the decision. Does he agree that there is an urgent need to resolve the claims of British victims of terrorist attacks overseas and will he commit today to such compensation being paid as a matter of urgency?

Mr Clarke: The right hon. Gentleman rightly expresses irritation about leaks to newspapers and the television, and I assure him that I share all that irritation. *[Interruption.]* If I were indulging in the kind of masterful spin-doctoring of the previous Administration, I would have trailed them better than occurred either in the newspapers or ITN. I made the statement when I did because I was told that ITN had carried the news the night before. I assure the right hon. Gentleman that, if he helps me to find out where the information is coming from, I will take appropriate steps.

On compensation for victims of terrorism and crimes, we are having to review the criminal injuries compensation scheme. We are having to look at the prospects for the compensation for terrorism scheme. The fact is that we were left with a system of criminal injuries compensation that was not working. We have enormous liabilities piling up for which the previous Government had not made adequate funds available, so we have hundreds of millions of pounds-worth of arrears of claims.

Sadiq Khan: That is a different issue.

Mr Clarke: It is not a different issue. They are related issues and we will give our conclusions in due course.

Several hon. Members *rose—*

Mr Speaker: Order. There is a lot of interest and little time. From now on, we need short questions and short answers.

T3. [25587] **Andrew George** (St Ives) (LD): What assurance can Ministers give my constituents in west Cornwall that the legal aid reforms published last week will not adversely affect the coverage of, or reduce access to, legal aid, particularly in civil and family proceedings?

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): The hard facts are that the amount of legal aid being paid out in civil cases will be reduced. As part of the Government's savings of £2 billion, £350 million is subject to be taken out of legal aid by 2014-15. That means that we will focus legal aid on the most vulnerable who need legal representation.

T4. [25588] **Toby Perkins** (Chesterfield) (Lab): A number of professionals have contacted me about their worries that, once the Youth Justice Board disappears, there will be a lack of co-ordination and an increase in reoffending by young people. Can the Secretary of State give any reassurance to those professionals that when their work disappears inside the Ministry of Justice, that co-ordination work will still be taken seriously?

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): Yes, I can give the hon. Gentleman that assurance. As the Minister with responsibility for youth justice, I will make sure that the functions carried out by the Youth Justice Board will be properly executed within the Ministry of Justice. The Youth Justice Board has done good work, but now it is time for Ministers to take direct responsibility for the work.

T5. [25589] **Priti Patel** (Witham) (Con): Families in Witham town are concerned about the presence of paedophiles and sex offenders, and the risk that they pose to children in our local community. What steps is the Secretary of State taking, in conjunction with other Government agencies, to ensure that my constituents are protected from those dangerous individuals?

The Minister for Policing and Criminal Justice (Nick Herbert): My hon. Friend might know about the child sex offender disclosure scheme, which is being extended to 24 police forces, having been successfully piloted in 11 police force areas. It allows members of the public to ask the police to check whether people have contact with their children at risk. They have already successfully protected children and provided considerable reassurance to parents.

T6. [25590] **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): It is clearly inappropriate for convicted criminals to celebrate Christmas with raucous parties in prison. Is the Secretary of State certain that present Ministry of Justice guidance will prohibit such activity this Christmastime?

Mr Clarke: I hate to tell the hon. Lady that there are no good parties going on in prisons to which I can invite her over Christmas. The whole story about parties was faintly ridiculous. The announcement by the Under-Secretary of State for Justice, my hon. Friend the Member for Reigate (Mr Blunt) did not mention parties and had very little to do with parties. Time was—I can remember from my youth—when a popular song began with

"The warden threw a party in the county jail."

but we do not approve of that kind of thing nowadays.

Bob Russell (Colchester) (LD): Every suicide is a tragedy, but particularly in prisons it is more harrowing for the family, other prisoners and the prison staff. With that in mind, can one of the Ministers give an update on the programme of installing safer cells?

Mr Blunt: About 6,200 safer cells have been provided since 2005. I acknowledge my hon. Friend's consistent interest in that. Our objective is to make sure that safer cells are available in all circumstances for offenders deemed to be vulnerable and to require such accommodation.

T7. [25591] **John Woodcock** (Barrow and Furness) (Lab/Co-op): It was as recently as 30 June, when the Government had had nearly two months to examine and find how unexpectedly bad the public finances were, that the Secretary of State said that he would explore

"proposals to restore public trust through minimum/maximum sentencing".

Can he tell us what has changed since then?

Mr Clarke: Not much has changed. We are exploring proposals of all kinds. We are about to produce a Green Paper in December, and as is always the case—there is nothing new in this—people try to guess what might be in it. Some people make informed guesses, some make uninformed guesses and some get it right. The hon. Gentleman will have to wait until December to see our final judgments about how best to reform a sentencing system which is over-complicated, difficult for the judges to understand and ripe for reform, and which is completely failing to protect the public by getting reoffending rates down to a sensible level.

Jack Lopresti (Filton and Bradley Stoke) (Con): Recently, a group of Travellers was served with an eviction order from the site next to St Peter's, a new school in my constituency of Filton and Bradley Stoke, only for another group of Travellers to move in as soon as the site was vacated. Will the Minister look at the law in

question to see whether it can be changed so that it is site-specific, rather than applying to individuals in certain cases?

Mr Blunt: I am grateful to my hon. Friend for the question. We are already looking at the law on squatting; this, in a sense, is an associated issue. I shall be happy to examine it as well.

T9. [25593] **Kate Green** (Stretford and Urmston) (Lab): As part of the review that the Secretary of State is carrying out into implementing giving prisoners the right to vote, will he consider the issue as, in some ways, a positive opportunity to prepare them for reintegration into society? How is he approaching that?

Mr Clarke: Of course we would welcome prisoners preparing in any way for rehabilitation as honest citizens in society. I wait to see how many prisoners will actually take advantage of the opportunity when we decide the extent to which we have to go to comply with the Court judgment. It is conceivable that in some cases the vote would widen the mind of prisoners and prepare them for taking on the obligations of citizenship. I actually do not think, however, that we should take that too far.

Duncan Hames (Chippenham) (LD): The Government intend to amend the law on the prosecution of universal jurisdiction offences. Does the Lord Chancellor agree that it would be unseemly for decisions relating to those prosecutions to rest with the Law Officer who is also a politician, as would be the case for the Attorney-General?

Mr Clarke: The consent of the Director of Public Prosecutions is what we are contemplating. The Government have committed themselves to that. This is a question of arrest; we are looking at citizen's arrest. We want to keep the right of citizen's arrest but we do not want it to be a publicity stunt based on inadequate evidence, so we are contemplating making it subject to the DPP's consent. We are simply trying to find the legislative time to do it. The Government have committed to doing this as rapidly as possible.

Thomas Docherty (Dunfermline and West Fife) (Lab): Can the Justice Secretary tell us how many times he or his Ministers have spoken to the Scottish Justice Minister about prisoners voting rights?

Mr Clarke: I have written to Kenny MacAskill and I see him from time to time. I have not yet got a response, but I expect to be in close contact with the Scottish Government when we make any change, because I suspect that it will apply to the entire United Kingdom.

Andrea Leadsom (South Northamptonshire) (Con): Last Friday, a 16-year-old boy in my constituency was horrifically beaten and stabbed outside his school in full view of his classmates. Does my right hon. and learned Friend agree that we need to reserve the harshest penalties for those who viciously wield knives and to make sure that there is a strong deterrent against doing so? That young man lost his life as a result of that horrible crime.

Mr Clarke: I am, of course, shocked to hear of the outrageous nature of the crime in my hon. Friend's constituency. We have to make sure that all our sentencing proposals give the courts all the powers they need. It is a question of how to set out the severity of the appropriate sentences, at the same time leaving the court in the end to decide on the exact sentence, based on the circumstances of the case and the offender. Although the recent habit—particularly under the last Government, who produced 21 different criminal justice Bills—was to keep producing very elaborate rules, in my experience judges do not need to be told that an offence of the kind described by my hon. Friend deserves the full force of the law and the severe punishment that the public would undoubtedly expect for such a case.

Steve McCabe (Birmingham, Selly Oak) (Lab): Is not the vote for prisoners a dyed-in-the-wool Lib Dem policy? Is that not the real reason why the Secretary of State will not stand up for us and tell the European Court that the ruling is simply unacceptable to the British people and the vast majority of our MPs?

Mr Clarke: It is not a dyed-in-the-wool Conservative policy, it is true, but it should be the policy of every responsible Member of the House to accept that we have to comply with a judgment of the European Court, because nobody is advocating withdrawing from the convention. The hon. Gentleman's party accepted that. His party never repudiated the judgment; it always accepted that it was going to have to give votes to prisoners. It wasted five years and two consultation exercises, however, because it was incapable of taking a decision in advance of an election—or at all, as it happened.

Miss Anne McIntosh (Thirsk and Malton) (Con): On a less controversial subject, what scope is there for mediation in family law cases, and will such cases continue to qualify for legal aid?

Mr Djanogly: We have taken the view that mediation should be retained within the scope of legal aid, and we think that it should be thoroughly encouraged. Too often, people take the course of court when they should look towards sorting out issues between themselves, and mediation will play a big part in enabling them to do that.

Mr Jack Straw (Blackburn) (Lab): On prisoner voting, will the Secretary of State have the grace to accept that before the election, given the implacable opposition from the whole of the Conservative party from top to bottom, with the then shadow Justice Secretary describing the proposal as "ludicrous", and deep and profound concern on our Back Benches, it was not that one did not want to do something, but that there was no way in the world that such a measure would have passed through this House?

Mr Clarke: I am relieved to hear that the right hon. Gentleman, my predecessor, was so implacably determined to press on with this issue throughout his five years. He should perhaps have a word with the hon. Member for Birmingham, Selly Oak (Steve McCabe), who could explain how committed he was. I am impressed that it was solely the opposition of Conservative Front Benchers that caused this five-year delay. I suspect that the right hon. Gentleman was having difficulty with Downing street and the right hon. Member for Kirkcaldy and

Cowdenbeath (Mr Brown) and others in coming to any decision about anything, or doing anything about it, before the general election. *[Interruption.]*

Mr Speaker: Order. There is so much noise in the Chamber that the hon. Member for Hertsmere (Mr Clappison) could not hear me call him.

Mr James Clappison (Hertsmere) (Con): Can my right hon. and learned Friend take the time to remind the House which party was in power when the Human Rights Act 1998 was incorporated into British law, and, more pertinently, who was the Secretary of State responsible for it?

Mr Clarke: It was certainly the Blair Government who introduced the Human Rights Act. I regret to say that I cannot remember who the Secretary of State was, but it was probably the right hon. Member for Blackburn (Mr Straw). Actually, he probably has more things to answer for than that, but that was certainly one of the things that he put on the statute book.

Natascha Engel (North East Derbyshire) (Lab): Will the Secretary of State meet me to discuss setting up an employers liability insurance bureau to ensure that victims of asbestos-related diseases who cannot trace either employer or insurer are compensated? I am sure that if he will meet up with me, I can fill him in and persuade him why it is so important.

Mr Clarke: The Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), will probably be in touch with the hon. Lady to deal with that suggestion. There are obviously very difficult issues involved in these asbestos claims—they troubled the previous Government, and there have been decisions for the courts. We will therefore consider her suggestion with interest; it has been made before, but we will consider it again and come back to her.

Greg Mulholland (Leeds North West) (LD): The Government are rightly focused on getting more people who are out of work into work, but a particular group of concern is ex-offenders. Will the Government, as part of the big society, continue to support charitable organisations such as the Apex Trust, which does a wonderful job in getting those offenders back into work?

Mr Blunt: I can give my hon. Friend that assurance. One of the mechanisms we will use is payment-by-results schemes to turn offenders into taxpayers. That means that there will be rewards both for stopping offenders reoffending and for getting offenders into employment.

Controlling Migration

3.33 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I would like to make a statement on immigration.

Controlled migration has benefited the UK economically, socially and culturaliy, but when immigration gets out of control, it places great pressure on our society, economy and public services. In the 1990s, net migration to Britain was consistently in the tens of thousands each year, but under Labour, net migration to Britain was close to 200,000 per year for most years since 2000. As a result, over Labour's time in office net migration totalled more than 2.2 million people—more than double the population of Birmingham.

We cannot go on like this. We must tighten up our immigration system, focusing on tackling abuse and supporting only the most economically beneficial migrants. To achieve that, we will have to take action across all routes to entry—work visas, student visas and family visas—and break the link between temporary routes and permanent settlement. That will bring significant reductions in non-European Union migration to the UK and restore it to more sustainable levels. We aim to reduce net migration from the hundreds of thousands back down to the tens of thousands.

On the work routes to entry, all the evidence shows that it is possible to reduce numbers while promoting growth and underlining the message that Britain is open for business. After consulting widely with business and with the Migration Advisory Committee, I have decided to reduce economic migration through tier 1 and tier 2 from 28,000 to 21,700. That will mean a fall of more than a fifth compared with last year in the number of economic migrants coming in through tiers 1 and 2, excluding intra-company transfers.

Business groups have told us that skilled migrants with job offers—tier 2—should have priority over those admitted without a job offer, who are in tier 1. I have therefore set the tier 1 limit at 1,000, a reduction of more than 13,000 on last year's number. Such a sharp reduction has enabled me to set the tier 2 limit at 20,700, an increase of nearly 7,000 on last year's number.

The old tier 1, supposedly the route for the best and the brightest, has not attracted highly skilled workers. At least 30% of tier 1 migrants work in low-skilled occupations such as stacking shelves, driving taxis or working as security guards, and some do not have a job at all, so we will close the tier 1 general route. Instead, I want to use tier 1 to attract more investors, entrepreneurs and people of exceptional talent. Last year, investors and entrepreneurs accounted for fewer than 300 people, and that is not enough, so I will make the application process quicker and more user-friendly, and I will not limit the numbers of those wealth creators who can come to Britain.

There are also some truly exceptional people who should not need sponsorship from an employer but whom we would wish to welcome to Britain. I will therefore introduce a new route within tier 1 for people of exceptional talent—the scientists, academics and artists who have achieved international recognition, or are likely to do so. The number will be limited to 1,000 a year.

Tier 2 has also been abused and misused. Last year more than 1,600 certificates were issued for care assistants to come to the UK. At the same time, more than 33,000 care assistants who were already here were claiming jobseeker's allowance, so I will restrict tier 2 to graduate-level jobs.

We have listened to business and will keep intra-company transfers outside the limit. However, we will place a new salary threshold of £40,000 on any intra-company transfers of longer than 12 months. Recent figures show that 50% of intra-company transfers meet those criteria. That will ensure that those coming are only the senior managers and key specialists who international companies need to move within their organisations.

I should like to thank the Migration Advisory Committee for its advice and recommendations. Next year, I will ask it to review the limit in order to set new arrangements for 2012-13.

However, the majority of non-EU migrants are, in fact, students. They represent almost two thirds of the non-EU migrants entering the UK each year, and we cannot reduce net migration significantly without reforming student visas. Hon. Members and others might imagine that by students, we mean people who come here for a few years to study at university and then go home. However, nearly half of all students coming here from abroad are actually coming to study a course below degree level, and abuse is particularly common at those lower levels. A recent check of students studying at private institutions below degree level showed that a quarter could not be accounted for. Too many students at lower levels have been coming here with a view to living and working rather than studying, and we need to stop that abuse.

As with economic migration, we will therefore refocus student visas on the areas that add the greatest value, and in which evidence of abuse is limited. I will shortly launch a public consultation on student visas. I will consult on restricting entry to only those studying at degree level, but with some flexibility for highly trusted sponsors to offer courses at a lower level. I will also consult on closing the post-study route, which last year allowed some 38,000 foreign graduates to enter the UK labour market at a time when one in 10 UK graduates were unemployed.

Last year, the family route accounted for nearly 20% of non-EU immigration. Clearly, British nationals must be able to marry the person of their choice, but those who come to the UK must be able to participate in society. From next week, we will require all those applying for marriage visas to demonstrate a minimum standard of English. We are also cracking down on sham marriages, and will consult on extending the probationary period of settlement for spouses beyond the current two years.

Finally, we need to restrict settlement. It cannot be right that people coming to fill temporary skills gaps have open access to permanent settlement. Last year, 62,000 people settled in the UK on that basis. Settling in Britain should be a privilege to be earned, not an automatic add-on to a temporary way in, so we will end the link between temporary and permanent migration.

I intend to introduce these changes to the work route and some of the settlement changes from April 2011. I will bring forward other changes soon after. This is a comprehensive package that will help us to meet our

goal of reducing net migration, at the same time as attracting the brightest and the best, and those with the skills our country needs. This package will serve the needs of British business, it will respond to the wishes of the British public, and it will give us the sustainable immigration system that we so badly need.

Ed Balls (Morley and Outwood) (Lab/Co-op): Let me start by thanking the Home Secretary for the—rather late—advance sight of her statement, for coming to the House this afternoon in person, and for clarifying the confusion caused by the misleading leak of the contents of her statement to the BBC this morning. The Home Secretary is right to say that migration has made, and continues to make, a vital contribution to the economic vibrancy, business strength and vitality of our country. She is also right to say that it is essential for migration to be properly controlled, for reasons of economic well-being and social cohesion. But the question is: how? The Labour Government put in place transitional controls on EU migration, a suspension of unskilled work permits, a tough but flexible points system to manage skilled migration, and tighter regulation of overseas students. They closed 140 bogus colleges, and imposed new citizenship requirements on those seeking settlement.

At the general election, the leader of the Conservative party proposed to go further in two key respects. First, he proposed a new target to reduce net migration to the "tens of thousands by 2015."

To meet that target, he pledged a cap on immigration, which he said would be tougher than the points system. At the time, the leader of the Liberal Democrat party said:

"We can't come up with promises like caps which don't work".

He then agreed to the cap in the coalition agreement. Since then, the Government have been in wholesale retreat, and today they are in wholesale confusion over this policy. The Confederation of British Industry, the chambers of commerce, universities, Nobel prize winners, and UK and foreign companies—large and small—have all highlighted the huge damage that the Government's proposals would do to investment and jobs.

The Home Affairs Committee and the Migration Advisory Committee have said that the proposed cap applies to only 20% of non-EU migration. As a result, we have had the unedifying sight of the Prime Minister hinting at concession after concession—in the face, we read, of opposition from the Home Secretary, thanks to the excellent public lobbying and guerrilla tactics of the Business Secretary, who, sadly, is not in his place this afternoon. In his use of such tactics, he is less Stalin and more Trotsky—and certainly not Mr Bean.

Today the Home Secretary has come to the House to confirm the details of the retreat. We will keep a close eye on her proposals to see how they affect business and science. None the less, we join business representatives in welcoming her decision to exempt intra-company transfers of workers. What has caused confusion is this morning's briefing to the BBC that the total cap would be 42,700 work permits. Her officials then had to clarify the fact that there is no such cap on that scale. She has now said that she will allow 21,700 tier 1 and tier 2 work permits, but with no cap on migration caused by intra-company transfers. If the number of intra-company transfers goes up, will she put in place an offsetting cut in tier 1 and tier 2 work permits? If not, and I very much hope that she will not, will she confirm that her supposed cap is a con, a guess and a fig leaf—in fact, no cap at all?

The permanent secretary revealed today that 9,000 jobs will be lost from the Home Office, the bulk of which will be from the UK Border Agency. Will the Home Secretary confirm that she can implement the policy that she has outlined today, and keep our borders secure, with those cuts? On family reunification she had nothing new to say—no target—and on overseas students she announced no action, just another consultation.

I have learned in the past few weeks that it is a mistake to ask the right hon. Lady a long list of questions, but there is one question to which it is vital that she should give an answer this afternoon: is it still the objective of the Prime Minister and the Government to cut net migration to the tens of thousands by 2015? In her statement she repeated the goal, but she omitted to put a date on it. Will she reaffirm the 2015 promise? In recent months—on VAT and tuition fees—the Deputy Prime Minister has got into a habit of breaking pre-election promises. Can the Home Secretary reassure us that the Prime Minister has not caught the same disease? This is a simple question. Is the "tens of thousands" pledge still binding by 2015—yes or no?

Mrs May: I thank the right hon. Gentleman for that response. During the Labour leadership campaign, he said:

"as many of us found in the election, our arguments on immigration were not good enough."

Listening to him today, I realised that Labour's arguments on immigration are still not good enough. He made a number of claims about what the Labour Government did on immigration, including the claim that they introduced transitional controls when new member states entered the EU. I seem to remember that when the first tranche of new member states entered the EU, that is precisely what they did not do, despite every blandishment from the Conservatives to encourage them.

The right hon. Gentleman then said that the previous Government took action on the points-based system limits. I accept that, but what happened? They closed tier 3 of the points-based system of entry into the UK, but nothing else, so when tier 3 shut down, the number of student visas went up by tens of thousands. That is why this Government know that when we deal with one part of the immigration system, we must act across the whole of it.

I made the figures for the tier 1 and tier 2 caps that we are introducing absolutely clear in my statement. The right hon. Gentleman asked whether the UK Border Agency could manage the cuts and keep our borders secure with the changes in personnel that will be made, and the answer to that, unequivocally, is: yes, it can.

Finally, the right hon. Gentleman asked me to confirm what I said in my statement, which is that we aim to reduce net migration from the hundreds of thousands back down to the tens of thousands—[Hon. Members: "When? By 2015?"] If he is to criticise the Government's plans on immigration, the right hon. Gentleman must have a plan. So far he does not even have an immigration spokesman, let alone an immigration policy. The British people, who according to his own words felt that Labour

[Mrs May]

was no longer on their side and no longer stood up for them on immigration, will not listen to him until he has an immigration plan.

Tom Brake (Carshalton and Wallington) (LD): If the cap is set too low—in other words, at a level that stops UK businesses creating wealth and jobs—or too high, how quickly can it be adjusted, and how will the adjustment process work?

Mrs May: We are confident in the work that we have done, and in the fact that we have got the cap—and, crucially, the changes to policy—right. The announcement is about not just the figure, but the change in policy. The Migration Advisory Committee will undertake an annual review, so it will be able to advise the Government on what the figure should be in future, after considering how behaviour has adapted to the policy changes that we are introducing.

Fiona Mactaggart (Slough) (Lab): The right hon. Lady says, "We will end the link between temporary and permanent migration." How can temporary migrants, whether spouses or workers, earn permanent settlement?

Mrs May: I am grateful to the hon. Lady, because she gives me the opportunity to say that we will be making initial changes to the settlement proposals, but that we also intend to consult more fully on exactly how we will introduce changes to settlement more widely. The initial changes will relate to the language requirements, but we will also look at the salary levels required for a sponsor to bring somebody in for settlement, and at the criminality thresholds. Those are the immediate issues that we will consider. I also intend to ask the Migration Advisory Committee to do some more work on changing the settlement requirements in the longer term.

Nicholas Soames (Mid Sussex) (Con): I congratulate the Home Secretary and the Minister for Immigration on this admirable programme and the excellent start made. May I press her a little further on the breaking of the link between settlement and people coming here to work temporarily? At what stage does she expect to introduce the measures necessary to achieve that?

Mrs May: I thank my hon. Friend for that question, and echo his thanks to my hon. Friend the Minister for Immigration for his sterling work. We are keen to look at these other routes, particularly the settlement route, as well as at the other aspects, and over the coming months, as I indicated in response to the hon. Member for Slough (Fiona Mactaggart), we will be asking the Migration Advisory Committee to consider the matter so that we can introduce the changes. I hesitate to put an absolute date on that, but I hope that we will be able to announce something next year.

Keith Vaz (Leicester East) (Lab): The Home Secretary is more famous for her footwear than her headgear, but may I welcome the exemptions to the cap that she has announced today? The Home Affairs Committee made recommendations on intra-company transfers and elite scientists, and this is the right approach for the immigration policy that the Government have decided to pursue. On students, however, she will not be able to tackle the issue of bogus colleges unless she accepts a previous recommendation by the Committee to restrict the use of the word "college". It is because this word continues to be used that people enter this country and pursue non-educational courses. Will she please look into that? Will she also examine how the whole administration of the immigration system operates in relation to illegal immigration?

Mrs May: I thank the right hon. Gentleman for his question. His turn of phrase encourages me to enjoy my time in front of the Home Affairs Committee when that happy occasion next comes around. He also made a serious point about his Committee's past recommendations on this issue. We will certainly look at his specific suggestion. We need to consider a number of ways of ensuring that students coming to the UK are genuinely coming as students and to institutions properly offering an education and providing a qualification. This is not just about the immigration system, but about the reputation of the UK, because we do not want people to come here thinking they are coming to a college on an educational course, but then find that they have come to something quite different.

Mr Stewart Jackson (Peterborough) (Con): I generally welcome my right hon. Friend's statement—but on EU migration, are we not in danger of ignoring the lessons of the past six years, when we imported more than 1 million low-wage and low-skilled workers, despite having 5 million of our own citizens on out-of-work benefits? Will she also explain why importing highly skilled workers is practical, when we have record numbers of UK and British graduates who could and should do those jobs?

Mrs May: My hon. Friend is right about the need to ensure that people in the UK are skilled enough to take up the work available. The figures show that EU-UK immigration and emigration numbers have broadly balanced out, and that net migration is coming predominantly from outside the EU. Our immigration policy has to fit in closely with the skills agenda that my right hon. Friend the Business Secretary announced last week. On occasions, however, there will be highly skilled workers with a specialism that a British company needs—in areas such as the energy sector, for example—and it is right for Britain to be open for business, and for us to allow companies to grow by introducing those workers into the UK.

Mr Frank Field (Birkenhead) (Lab): Given the views that were so robustly expressed during the general election campaign, I welcome, on behalf of many of my constituents, the Home Secretary's statement. Will she bear in mind another of their views, which is that they are now aware that the population of this country is primarily pushed by immigration? Will she tell us more certainly when she will return to the House to give a statement on breaking the link between coming here to work, which is often welcome, and almost automatically getting the right to citizenship?

Mrs May: I am grateful for the right hon. Gentleman's comments, and for his work, with my hon. Friend the Member for Mid Sussex (Nicholas Soames), on settlement

in the UK. They have both done a lot of important work in highlighting the issue. I am afraid that I will disappoint the right hon. Gentleman in not being able to give him a date when I will come to the House, but I assure him that I will do so in due course, to show how we will be able to change that route. As he said, the British public were absolutely clear that the Government should do something about this matter. They saw a Labour Government who did not do anything about immigration. We are a Government who will deliver for the British people.

Several hon. Members *rose—*

Mr Speaker: Order. A great many Members are seeking to catch my eye, and I should like to accommodate as many as possible, so brevity from the Back Benches and the Front Benches alike is required.

Henry Smith (Crawley) (Con): I warmly welcome my right hon. Friend's statement. She correctly mentioned student visas, and then mentioned consultation. Given that we have had 10 years of almost mass immigration, will she assure the House that that consultation will be swift?

Mrs May: I am happy to assure my hon. Friend that we will issue that consultation very shortly, and that we want to be in a position to make changes to student visas next spring.

Pete Wishart (Perth and North Perthshire) (SNP): The immigration cap may be designed for the south of England, but it definitely does not fit Scotland. Does the right hon. Lady not even start to understand and appreciate that Scotland has a different range of population and demographic issues? How can immigration caps possibly help Scotland, which is suffering from structural depopulation?

Mrs May: This proposal will help all parts of the United Kingdom, because it does two crucial things. It meets the British people's need to see us controlling our immigration system, but it does so in a way that will enable business to bring in skilled workers. Many businesses in Scotland have spoken to us about the need to bring in skilled workers—in the energy sector, for example—and I believe that they will welcome our decision today.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Specifically on the energy industries, on which so many jobs in my constituency depend, I welcome the flexibility and movement. Will the Home Secretary assure those industries that small companies in the supply chain will not face too bureaucratic a process for tier 2 applications, and that intra-company transfers will not be so time-limited as to make projects impossible to deliver?

Mrs May: I am happy to give the comfort that my hon. Friend asks for. Indeed, we will look at the administrative process for tier 2 applications to ensure that they involve as little bureaucracy as possible, with small companies particularly in mind. I hope that he will see some benefits from that.

Mr Denis MacShane (Rotherham) (Lab). I wonder how many of us would be sitting here today, if in the 20th century our parents and grandparents had had to go through the sieve that the Home Secretary is putting in place to slow down the number of people coming to the UK. Does she agree, and will she say so more strongly, that the arrival of 10% of the English population in the form of Huguenots enriched Britain, that Jews who came here enriched Britain, and that Muslims and Pakistanis in my constituency have enriched Britain, and will she be very careful before she gives any comfort to Migrationwatch, the British National party and the United Kingdom Independence party, and their horrible anti-immigrant line?

Mrs May: I have to say that several of the groups that the right hon. Gentleman has mentioned came here as refugees, and we are not talking about the asylum system today. We do need to examine the operation of our asylum system to ensure that it operates swiftly in the interests not only of the UK, but of those who are seeking asylum. However, that is not what we are debating today.

Mr Peter Bone (Wellingborough) (Con): Hon. Members will be delighted that the Home Secretary has announced this policy to the House first, and that the BBC was so wonderfully misinformed this morning. In Wellingborough, immigration is the No. 1 issue, but my constituents are more concerned about people coming from the European Union. I wonder how that question is going to be addressed.

Mrs May: Unlike the last Labour Government, we have been absolutely clear that, for any new member states entering the European Union, we would apply transitional controls.

Mr Dave Watts (St Helens North) (Lab): Are not these proposals a damp squib that will have no real impact on the number of people coming to Britain? Bearing in mind that the Government have already ruled out EU migrants, intra-company transfers, students, sportsmen and women and anyone in the arts, who is left?

Mrs May: Labour Members really are going to have to get their story in order as to exactly what they want to do on immigration. We want to ensure that Britain is open for business and that we can bring in skilled workers, which we will be doing, but that we can put in a cap that enables us to reduce net migration into this country. That is what the British people want, and it is what this coalition Government will deliver.

Rehman Chishti (Gillingham and Rainham) (Con): May I welcome the statement as representing a constructive way forward? Does the Minister agree that foreign students should leave the country and reapply if they want to change their course or apply for a work permit?

Mrs May: My hon. Friend has raised an important point. One of the issues around students relates to those who come here to study one course and then move from course to course in order to be able to stay here. We will be looking at that issue in the consultation, and I can assure him that the proposal he has just made is exactly the kind of thing that will be in the consultation.

Jim Shannon (Strangford) (DUP): The Home Secretary has suggested that there might be some concessions for those involved in the fishing industry. By and large, I welcome the proposals put forward today, but she has mentioned a concession of a year until September 2011 in regard to work permits for Filipino fisherman. Would she be prepared to consider extending that arrangement for another year, given that the fishing industry feels that it cannot do without it?

Mrs May: I think that we will have to look at that matter again closer to the September 2011 deadline. I simply say to the hon. Gentleman that the more exceptions to the rules that people claim, the less effective the overall rules will be. We are absolutely clear that, within the rules that we have set, there are groups of very specialist workers. A number of issues have been raised with me about people with very particular skills who are needed by certain industries, and who we believe can come in, within the routes that we are setting out.

Mr Aidan Burley (Cannock Chase) (Con): Tony Blair's adviser once said that the sharp increase in immigration over the past 10 years was partly due to

"a driving political purpose: that mass immigration was the way that the Government was going to make the UK truly multicultural".

Can the Home Secretary confirm today that so-called social objectives are no longer acceptable as a reason for immigration, and that it should be based instead on the economic benefits that immigrants can bring to this country?

Mrs May: As I said at the beginning of my statement, controlled migration can benefit this country economically, socially and culturally, but we are absolutely clear, in looking at the routes into the country for economic migrants, that the people who are coming in will bring a genuine economic benefit to the UK.

Mark Tami (Alyn and Deeside) (Lab): Does the £40,000 figure for intra-company transfers refer only to salaries or to salaries plus benefits?

Mrs May: In line with current arrangements, there will be some allowance for allowances.

Mark Reckless (Rochester and Strood) (Con): Immigration from Ireland to the UK has doubled from 7,000 to 14,000 as the euro crisis has developed. Will the Home Secretary confirm that, as well as having a legal right to come, those young people will be welcomed to our shores, and that we will continue to create the jobs that they need?

Mrs May: My hon. Friend raises an interesting point that will be in many people's minds, given the situation in Ireland at the moment. Of course, movement is available within the European Union area, and movement from Ireland into the UK has been long standing.

Mike Gapes (Ilford South) (Lab/Co-op): What procedures and resources will be available for enforcing these proposals, given that one of the problems, under successive Governments, has been people overstaying when their visa has expired?

Mrs May: One of the issues that we will look at among specific groups, such as students, is the number of people who overstay. That is one of the problems and abuses of the system, but, unlike the previous Labour Government, the current Government are committed—in addition to what we are doing on immigration—to proper UK border controls, through our work to ensure a UK border force.

Mr James Clappison (Hertsmere) (Con): May I warmly welcome the sensible decisions that my right hon. Friend has taken? Does she agree that, although the economic migration that she intends to permit is clearly of benefit to the nation, a population pushed up to 70 million is not? That is the inheritance she faced, on official figures, from the policies of the Labour party.

Mrs May: I thank my hon. Friend for his intervention. It is clear that, if we take no action, the numbers of net migrants to the UK are likely to continue to be about 200,000 a year. We think that we need to do something about that, which is why we are introducing the package today and will be introducing further measures on other routes of entry.

Caroline Lucas (Brighton, Pavilion) (Green): English language schools in my constituency contribute more than £100 million to the local economy, yet they face real difficulties because of the uncertainty surrounding the student visa system. Will the Secretary of State ensure that a cost-benefit analysis to the UK economy of overseas students who study at our schools is carried out? What words of reassurance can she give to bona fide language schools that there will be a swift resolution to the issue?

Mrs May: A number of hon. Members from all parts of the House with English language schools in their constituencies have raised the question of such schools. We take the issue very seriously, and one aspect of the student visas consultation will be aimed specifically at such schools and how we can introduce to the system some changes that will benefit them.

Gavin Barwell (Croydon Central) (Con): I thank my right hon. Friend for her statement, which will be welcomed in my constituency by people of all backgrounds and political persuasions. In particular, I welcome the exemption for wealth creators and the re-focusing of tier 1 on eminent scientists. Will she tell the House a little more about how the 1,000 limit will work?

Mrs May: We are finalising the details of exactly how the 1,000 limit will work. We are also considering a role for bodies, such as research councils, in confirming those people who would be of benefit. We want to include not just those who are at a point in their career when they are known to be great scientists, artists and so forth, but also exceptionally talented people who are at the beginning of their careers.

Derek Twigg (Halton) (Lab): The Home Secretary says that the aim is to reduce net migration from the hundreds of thousands to the tens of thousands. Will she specify when she intends to do so? I thought I heard

her say 2015, but doing that while slashing the border agency staff who need to do the job of policing is not going to wash with the British public.

Mrs May: I had answered the point about what I said in relation to tens of thousands, and I answered the shadow Home Secretary's point about the UK Border Agency. As I said, we will be able to deliver the policy through the agency, and we will be able to ensure that the agency can deliver on its requirements, and we as a Government are committed to reinforcing our border security by introducing a border police command in the new national crime agency.

Stephen Lloyd (Eastbourne) (LD): There are many approved, well-established and highly reputable English language schools in my constituency. I support much of the statement's content, but I am profoundly concerned about any further delay in sorting the problem with people coming to the UK to study English at such schools. I urge the Home Secretary to agree to meet me, a cross-party delegation of MPs and the Immigration Minister as soon as possible, because many companies and businesses in Eastbourne and throughout the UK are suffering badly. I urge her to grant me that opportunity.

Mrs May: I am well aware that my hon. Friend has made significant representations on that point, as have other Members. Indeed, I believe he has already met the Immigration Minister. I would be happy to meet a group of MPs to discuss the matter, and, as I said in response to the hon. Member for Brighton, Pavilion (Caroline Lucas), we are very well aware of the point, which has been well made by many Members. We are conscious of the economic benefits of English language schools and some of their very specific issues with particular students from particular countries. We are looking at how we can address that issue in our student visa proposals, but I would be happy to meet a group of MPs.

Kerry McCarthy (Bristol East) (Lab): I agree entirely with the need to take swift removal action against people who overstay their work or student visa entitlement, but this country has a problem with people who have overstayed for many decades and have given birth to children who are now adults. Can anything be done to regularise their situation so that they can go into legitimate employment without having to go through all the same hurdles and costs of applying for citizenship that others do? This represents a real barrier for those people.

Mrs May: We inherited the legacy programme from the last Government and had to deal with a significant backlog of cases, some of which related to people who have lived here for many years. Their cases had simply not been tackled with the right and proper degree of speediness. As the chief executive of the UK Border Agency confirmed to the Home Affairs Select Committee, we aim to finish that legacy programme by next summer. Looking to the future, we need to ensure that we do not get into the situation again of allowing people to come here and making them wait many years for an answer from the Government as to whether or not they can stay.

Stuart Andrew (Pudsey) (Con): It is a disgrace that last year 1,600 visas were granted to people who wanted to work in care homes when there are 33,000 care workers claiming jobseeker's allowance. Does my right hon. Friend agree that this is a kick in the teeth for those unemployed care workers, proving that her proposals are exactly the right policy to introduce?

Mrs May: I absolutely agree with my hon. Friend that this is the right policy for us to introduce. Many people, not just care workers, are unemployed, yet they have to see care workers being brought in from overseas. Of the many graduates in the UK, one in 10 are unemployed six months after their graduation. Last year, however, I believe that 38,000 overseas students stayed here after their graduation to work in the UK. We need to deal with that and we also need to ensure that we get the skills training right for people in the UK. The action we have taken on immigration today is not just an indictment of the last Labour Government's failure to do something about the problem, but is also a very sad commentary on their failure to deliver a proper skills agenda for the UK.

Paul Blomfield (Sheffield Central) (Lab): May I press the Home Secretary on the issue of language courses? I am thinking particularly of Sheffield International college in my constituency. With its 1,000 students, it plays an important role in the local economy and as a feeder institution helping students to proceed on to our two universities. All that makes an enormous economic contribution.

Mrs May: I thank the hon. Gentleman for echoing the importance of this issue, which was also raised by the hon. Member for Brighton, Pavilion and by my hon. Friend the Member for Eastbourne (Stephen Lloyd). As I said, I am happy to meet a group of MPs to discuss English language schools. We know how important that issue is and we are looking to address it through consultation.

Robert Halfon (Harlow) (Con): May I congratulate my right hon. Friend on her statement and tell her that my constituents will welcome the move away from expressing rhetoric about British jobs for British workers towards taking substantive action? Nevertheless, many people in Harlow will be concerned that their jobs are being given away, particularly by big companies like the major supermarkets, to temporary migrant workers. Will my right hon. Friend set out how her measures will help this situation?

Mrs May: I believe that our measures will help because they will tighten up the provisions to ensure that the people who come into this country under either tier 1 or tier 2 are the skilled workers that companies need, not those coming here to do low-skill jobs. We will also tighten up on the intra-company transfers route through the salary threshold so that that route is available, as it was always intended to be, for senior managers and people with specialist skills rather than for people doing low-skill jobs.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): May I concur with what has already been said about the position facing English language schools? It

[Mark Lazarowicz]

is a difficult position and it needs to be addressed urgently. This country is already losing custom as it goes to other countries—we are not the only country where English is spoken—so I urge the Home Secretary to do something about the problem quickly. Otherwise, areas like mine, where English language schools contribute significantly to the local economy, will suffer.

Mrs May: There may be other hon. Members who wish to raise the issue of English language schools from their constituency viewpoint. Let me say to the hon. Gentleman, as I have to others, that we are well aware of this issue and we are looking to address it as we deal with student visas. Although many English language schools offer a very good product and are of significant economic benefit to the UK, I also need to point out that this sector of the economy is not completely free from abuse. Sadly, some schools do damage to others by setting themselves up as English language schools and then not offering the right services.

Sajid Javid (Bromsgrove) (Con): I welcome my right hon. Friend's statement, but does she agree that as well as controlling immigration, we should do more to ensure that those who settle here and integrate with us respect our culture, traditions and values, and make greater efforts to learn our language?

Mrs May: I think it is important for people who come to live here in the United Kingdom to be able to participate in society. That is why next week we are introducing an English language test for those who wish to come here to join a spousal partner. I think it only sensible for someone who is coming to live here to be able to speak English, and thence to participate in society.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): I welcome the statement in general terms, but I do not believe that it goes far enough. There is still uncontrolled migration from the European Union, certainly to my constituency, into which have come a substantial number of unskilled and semi-skilled European workers who are undercutting the unemployed work force. What steps will the Home Secretary take to ensure that some curbs are placed on those people?

Mrs May: I hear what the hon. Gentleman says. He has a record of having taken a rather different view from the Front Bench Members of his party when it was in government. As I have made clear and as the figures show, the vast majority of net migration is from outside the European Union. The flows into and out of the country of British and EU citizens balance out, and have done so for the past few years. As for the future, the Government have made it absolutely clear that if there are any new member states, we will exercise transitional controls.

Gordon Henderson (Sittingbourne and Sheppey) (Con): Does my right hon. Friend recognise that many British workers in the IT industry are very concerned about losing their jobs as a result of intra-company transfers? Can she reassure them that she will crack down on the abuse of the system that has been witnessed by some IT companies?

Mrs May: As I said in my statement and have said in response to a number of questions, we are tightening the rules relating to tier 2 entry to the United Kingdom, as well as those relating to intra-company transfers. We will ensure that those who come here really are the skilled and highly skilled workers who are needed. However, my hon. Friend's point echoes one made by a number of other Members about the need to ensure that businesses in the United Kingdom seek the skills that are available here.

Steve McCabe (Birmingham, Selly Oak) (Lab): I should hate to misrepresent the Home Secretary. To avoid confusion, will she tell us whether she will reduce net migration to tens of thousands by 2015—or has she just dropped the Government's specific commitment to that date?

Mrs May: We have been absolutely clear about our aim in regard to net migration, and we made it absolutely clear in the coalition agreement that we were committed to introducing an annual limit on non-EU economic migration. That is what we are doing today. *[Interruption.]*

Mr Speaker: I call Paul Uppal. *[Interruption.]* Order. I am quite worried about Opposition Front Benchers. They are in a state of quite extraordinary excitement, but I want to hear Mr Uppal.

Paul Uppal (Wolverhampton South West) (Con): Thank you, Mr Speaker.

Immigration cases take up most of the case load at my weekly surgery, particularly during the summer months, when the wedding season and many other family occasions take place. Will the Home Secretary and the Minister for Immigration, my hon. Friend the Member for Ashford (Damian Green), consider pinning down responsibility for sponsorship when people come here to visit their families on such occasions? That would tackle head-on the problem of absconding, fraud and overstaying. The last Labour Government examined the matter when immigration was an issue, but they ducked it and chose not to do anything about it.

Mrs May: My hon. Friend has made an interesting suggestion. When we consider the issue of family visas, we will be happy to accept representations from him on that and any other ideas that he may have.

Mark Durkan (Foyle) (SDLP): Will the Home Secretary say more about how she believes that the needs of particular sectors of the economy, and the pressures on them, can be properly respected and responded to within the new annual limits? Is a regional dimension built into any of the Government's proposals? We know that before the election the Liberal Democrats spoke of huge regional issues relating to immigration. Does the new regime take any account of the needs of, and the pressures on, particular regions?

Mrs May: The proposals I am setting out today apply to immigration policy across the United Kingdom. To respond to the hon. Gentleman's first point, I am confident

that the needs of particular sectors will be met through our changes to tier 1, tier 2 and the intra-company transfer route. We have listened very carefully to business, and the CBI recently said it thought that

"a workable...solution would encompass...protection of sponsored work permit numbers as a priority ahead of those without a job offer",

which we have done. The CBI also said that by

"prioritising the demand-led part of the system—Tier 2—in this manner the government will be able to deliver on its goal of reducing net migration without damaging business",

which, again, is exactly what we have done.

Mr Dominic Raab (Esher and Walton) (Con): I welcome the statement. Does the Home Secretary agree that the UK economy's dependence on skilled labour from abroad highlights two of the starkest failures under the last Government: the promotion of welfare dependency, and the failure to improve skills and training?

Mrs May: My hon. Friend is absolutely right, and it is important that we see the policies announced in the statement in the context of our welfare reform policy, the Work programme to be brought in next year, and the Business Secretary's proposed skills agenda, which he introduced in a White Paper last week.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): During last Thursday's immigration debate, the Home Secretary's departmental colleague, the Under-Secretary of State, the hon. Member for Old Bexley and Sidcup (James Brokenshire), said:

"We therefore aim to reduce net migration to the levels of the 1990s—tens of thousands, not hundreds of thousands, each year by the end of this Parliament."—[*Official Report*, 18 November 2010; Vol. 518, c. 1120.]

The end of this Parliament will, of course, be in 2015. May I offer the Home Secretary another opportunity to confirm categorically that that is still her Government's policy this week?

Mrs May: I say to the hon. Lady that it is the position—*[Interruption.]* Listen very carefully. I will say this only once: we aim to reduce net migration from the hundreds of thousands to the tens of thousands by the end of this Parliament.

Harriett Baldwin (West Worcestershire) (Con): Returning to the issue of student visas, we have quite a few boarding schools in West Worcestershire, such as Malvern college, St Michael's college in Tenbury Wells and Malvern St James college, which attract students from all around the world. They are highly trusted sponsors, but they are already finding that the system is slowing them down. Can the Home Secretary reassure these colleges that the process will become faster?

Mrs May: I am happy to give my hon. Friend that reassurance. While we are consulting on focusing the student visa route on universities, further education colleges and degree level courses, highly trusted sponsors will be able to offer courses at below degree level, and I would expect that the schools to which my hon. Friend has referred would be able to continue to offer courses because, as she says, they are highly trusted sponsors.

Mr William Bain (Glasgow North East) (Lab): Two months ago, UK executives at Toyota told me of the benefits for their company and the wider British economy of the transfer of knowledge and skills through intra-company transfers. Will the Home Secretary publish the economic analysis that I am sure she has performed of the impact on growth and output of restricting intra-company transfers of longer than 12 months to those on salaries of more £40,000?

Mrs May: I gave some figures in my statement, and I am also happy to be able to say to the hon. Gentleman that the Minister for Immigration met representatives from Toyota to discuss their particular needs, and I understand that they were comfortable with our proposals.

Andrew Griffiths (Burton) (Con): I congratulate the Home Secretary on having the grit and determination to introduce this important proposal. She rightly pointed out the kinds of abuse we saw under the previous Government in respect of programmes such as the student visa scheme, which meant that many people were here who should not have been. What measures are her Department taking to ensure that those who are here illegally are removed—and removed quickly?

Mrs May: We are considering the measures that could be taken against those colleges or so-called colleges that just enable students to come here to work and then stay on, rather than be removed. As I said in answer to a number of other hon. Members who raised this or similar issues, this Government are committed to strengthening our borders through the border police command within the national crime agency.

Mark Pritchard (The Wrekin) (Con): I welcome the Home Secretary's statement. I just hope that the consultations do not take too long and that the whole House will have an opportunity to debate all these issues in detail, probably with an immigration Bill. Given the rampant abuse of tourist, student, work and family visas, is it not time that an incentive is provided for those tempted to overstay or those who have overstayed by saying that they can return to their country of origin voluntarily or be barred from re-entering this country for at least 20 years? That would be an incentive that would work.

Mrs May: I think I will take that as my hon. Friend's contribution to our consultation exercise on student visas.

Michael Ellis (Northampton North) (Con): I congratulate the Home Secretary on this statement. The shadow Home Secretary has apparently admitted in the media that the Labour party, when in government, made a mistake in 2004 by not applying transitional controls to enlargement of the European Union then.

Ed Balls *indicated assent.*

Michael Ellis: I see the right hon. Gentleman nodding. Can my right hon. Friend assure the House that such transitional controls will be applied to any further enlargements of the European Union?

Mrs May: I am very happy to give my hon. Friend that commitment on any future new member states entering the European Union. I am fascinated that the shadow Home Secretary stood up in response to my statement and claimed that the previous Government had introduced all these transitional controls, yet now we hear that he says they made a mistake in not doing this properly.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I warmly welcome my right hon. Friend's statement, which will go a long way towards assuaging the concerns of my constituents. They are not so worried about business people being here for two or three years; they are worried about the permanent settlement that automatically seems to be granted when someone has lived here for four years. Can she give further assurances about the criminality aspect, because that is another great concern in my constituency?

Mrs May: We are indeed looking at the criminality criteria for entering in order to tighten them up; we want to look at people's records when considering who can enter the UK. We think that that is an important element that we should be looking at, and I know that the issue has concerned a number of people.

Dr Sarah Wollaston (Totnes) (Con): Has the Home Secretary made an estimate of the number of sham marriages, particularly those to EU migrants to the UK? What further measures will she take to deter this and punish those responsible?

Mrs May: I do not have an estimate of the number of sham marriages, but I am happy to say to my hon. Friend that the UK Border Agency was very active in stopping sham marriages over the summer; we had a very big crackdown on them. Many people were concerned and surprised to see that a Church of England vicar was caught and arrested for helping sham marriages to take place.

Christopher Pincher (Tamworth) (Con): Last and most certainly least, I welcome my right hon. Friend's statement. Does she agree that, although the large-scale import of cheap labour may keep the lid on wage price inflation, it also keeps a lid on productivity because business men who feel that they can import cheap labour are less incentivised to be productive? Does she agree that that is not a competitive model and that the Government should not turn a blind eye to businesses that try to import cheap labour?

Mrs May: I have said in some of my conversations with businesses that it is important that they look to ensure that they encourage and provide the training for skills growth and development here in the UK. That is important, as it is in the UK's interests, the individual's interests and the interests of those businesses.

Mr Speaker: I must thank the Home Secretary and colleagues for their co-operation, as a result of which in 40 minutes of Back-Bench time we managed to get through 44 Back-Bench questions and answers. It shows what can be done when we put our minds to it.

Chris Ruane (Vale of Clwyd) (Lab): Excellent chairing.

Mr Speaker: Well, I am always grateful to the hon. Gentleman for his unfailing support and I heard what he said.

Points of Order

4.29 pm

Ed Balls (Morley and Outwood) (Lab/Co-op): On a point of order, Mr Speaker. Of course, I commend your chairing. Given that we have just witnessed a U-turn on a U-turn, I am tempted to ask whether you might allow the Home Secretary to start again, but I fear that that might be ruled out of order.

On a more serious point, may I ask whether the Home Secretary contacted you today about the leak of her statement to the BBC? Did she explain why the statement was leaked to the BBC, and do you think it would be appropriate for her to explain to the House why the details of her statement were leaked to the BBC this morning?

Mr Speaker: I sometimes wonder whether these generous initial remarks are a ruse by Members to get me on their side, but I am grateful to the right hon. Gentleman. I was not contacted by the Home Secretary about the matter to which the right hon. Gentleman refers, but he makes his point with force and clarity. I am always concerned that the House should hear key announcements first. However, I would say that when different numbers are being bandied around that is sometimes a sign of a matter for debate rather than a point of order. However, I shall keep my eyes and ears focused firmly on these matters because the House must hear first.

The Secretary of State for the Home Department (Mrs Theresa May): Further to that point of order, Mr Speaker. As you have more or less indicated, I think that the Home Secretary—

Ed Balls: Shadow.

Mrs May: After 13 years in opposition, as the right hon. Gentleman will discover, one sometimes makes these mistakes. The information that the BBC had was wrong and I am happy to say to the House that any information on the BBC first thing this morning was nothing to do with the Home Office.

Mr Speaker: I am grateful to the Home Secretary, and I am glad that we are not going to suffer an identity crisis for any length of time. I would simply say to the House that I think we will leave it there. We have had an exchange, concerns have been expressed and the Home Secretary has made her position clear.

Pete Wishart (Perth and North Perthshire) (SNP): On a point of order, Mr Speaker.

Mr Speaker: If the hon. Gentleman has a totally unrelated point of order, I am happy to hear it.

Pete Wishart: The BBC may or may not have got the Home Secretary's statement, but the smaller parties most certainly did not get a copy of it in advance. The Government have been pretty good at getting statements to us recently. Will you ensure that the smaller parties, such as the Labour party, get a copy of the statement in advance of its being given?

Mr Speaker: In so far as I could fully hear the hon. Gentleman—I apologise if I failed to hear him, but there was quite a lot of noise in the Chamber—I would simply reiterate that there are certain requirements of courtesy on Ministers. Generally speaking, the requirements are complied with and I know that it is always the intention of Ministers to do so. Generally speaking, that happens and if it did not in this case, that was a mistake.

Mrs May *indicated assent.*

Mr Speaker: The Home Secretary nods assent to that proposition. I hope that such a mistake will not happen again.

Ed Balls *rose—*

Mr Speaker: The right hon. Member for Morley and Outwood (Ed Balls) is insatiable today.

Ed Balls: Further to that point of order, Mr Speaker. Having heard the Home Secretary's remarks, I fully accept that it was not her or her Department who made this leak. I hear you saying two things from the Chair: first, that these leaks are undesirable and, secondly, that they are even more undesirable if people get the numbers wrong when they are doing the leaking.

Mr Speaker: The question of whether it was or was not a leak remains undetermined. All I can say is that I am Speaker of the House, but I am not Sherlock Holmes. Moreover, as usual, the right hon. Gentleman has used his ingenuity to put his point firmly on the record. If there are no further points of order, perhaps we can come to the ten-minute rule Bill, for which the promoter and some of his supporters have been eagerly waiting.

Grandparents (Access Rights)

Motion for leave to introduce a Bill (Standing Order No. 23)

4.33 pm

Andrew Percy (Brigg and Goole) (Con): I beg to move,

That leave be given to bring in a Bill to give grandparents rights of access to their grandchildren in certain circumstances; and for connected purposes.

Although this might be entitled the Grandparents (Access Rights) Bill, it could just as easily be renamed the grandchildren's rights Bill. If the Bill progresses, it will increase the rights of grandchildren to access their grandparents.

I want to thank many of the campaigners who were involved in this campaign, which has gone on for some time, including my predecessor as MP for Brigg and Goole, Mr Ian Cawsey, who moved a similar Bill a couple of years ago that was sponsored by you, Mr Speaker. A number of organisations are involved, including the Grandparents Association and I also want to draw on some of the work undertaken by the Centre for Social Justice. Above all, I want to pay tribute to my constituent, Dorothy Fagge, who has been a dedicated campaigner on this issue for a number of years, having twice been to court to access two different sets of her grandchildren. I shall talk about Dorothy's experience in a moment.

Some 1.3 million families in England use grandparents as the primary source of care for about 1.8 million children, offering a saving to the taxpayer of about £4.8 billion a year given the average cost of child care. That would equate to a cost of about £92 million a week to the public purse.

The Grandparents Association estimates that about 1 million children do not see their grandparents because families have separated or lost touch. For me, the role that my grandparents played in my childhood and until they passed away was incredibly significant, and its value cannot be quantified. There is strong evidence regarding the value of grandparental involvement, particularly in the lives of adolescents, in reducing adjustment difficulties when marriages or partnerships fail. That was reported a few years ago in a national study, "Involved Grandparenting and Child Well-being".

That view is shared not only by those who have an interest in this area and have campaigned on it, but by young people. A study that was quoted in the Centre for Social Justice's family law and children report showed that 75% of young people said that a grandparent was the most important person, or one of the most important people, in their life. A sample of 1,500 young people showed that grandparental involvement in schooling and education is linked to lower maladjustment scores and fewer contact problems and that being able to talk to a grandparent is linked to their having fewer emotional and behavioural problems.

As I have mentioned on numerous occasions, before I came to the House I was a schoolteacher. I taught in a number of very deprived communities in Yorkshire and we sometimes found that grandparents were the sole point of contact in a child's life, acting as an anchor or rock. Often, when all else around was failing, the grandparents were the only people left standing for that young person. Sadly, grandfathers are sometimes the only male role model many young people encounter.

The value of grandparents can never be underestimated. I cannot put that point better than Pam Wilson of the Grandparents Action Group UK, who has stated:

"Grandparents are a link to the past and a bridge to the future, for family history and medical details. To give a child a sense of belonging from the roots of their family."

Similarly, Peter Harris who was formerly the Official Solicitor and is now with the Grandparents Association, has said:

"Grandparents are known to provide care for grandchildren more extensively than other relatives, and we believe that this puts them in a special category."

I believe that grandparents should be placed in that special category.

Grandparents can face a number of legal problems, particularly when they have been denied access to their grandchildren as a result of bereavement or divorce. With bereavement, the surviving parent might find a new partner, which might involve the grandchildren being introduced to a new family. Over time, the family might move and grow ever more distant from the bereaved grandparents. With divorce and separation, the grandparents are often forced to take sides and it is human nature for them to side with their own child. That can lead to children being used as a weapon in particularly acrimonious divorces or separations. Access is often denied or, even worse, traded for financial reasons.

All that places grandparents in an incredibly difficult position. Currently, the law is not necessarily on their side. There is no automatic right for a grandparent to go to court to seek contact with their grandchild. In fact, they must seek the court's permission to seek access through it. The process can be long winded and very expensive. This morning, I spoke to Lynn Chesterman of the Grandparents Association, who told me that the average cost of such a process is about £20,000. That option might be accessible for better-off grandparents, but there would be no possibility of those from more deprived or poorer backgrounds pursuing it.

My constituent, Dorothy Fagge, whom I mentioned earlier, was able to go to court and use substantial amounts of her own finances to gain access to her grandchildren, which had been denied to her in two different circumstances, one of which was incredibly tragic. Despite all her resources and her ability to pay for legal representation, it took her more than a year to gain access.

This is not an easy situation to address. I understand that, and there will always be cases in which contact with grandparents is not desirable, but the courts must determine that. However, I seek through the Bill some changes to the law to protect grandchildren in gaining access to their grandparents. I would like to see an automatic right for grandparents to seek contact through the courts so that they do not have to go through the double process of having to seek leave first. I hope that, through the review undertaken by the coalition Government, there will be moves to establish some form of early mediation to sort out contact issues, such as happens through the Australian family mediation centres.

It has also been suggested that there should be a presumption in law that children have a right of access to their grandparents, subject to the appropriate protections I mentioned earlier. One recent proposal, which is worthy of further investigation, is that children should have, at the very least, an automatic right to letterbox contact with their grandparents while proceedings in the courts are progressing. In the case of a bereaved grandparent, there is a strong argument that the grandparent, who is often the child's only link to that side of the family, should inherit the right that previously existed for the parent.

I know that this is not an easy issue, and that the Government are already examining it through the family law review, which is due to report next year. As I said at the beginning of my speech, my grandparents were incredibly important to me. I know that for many people the role that their grandparents play in their lives is one that they value for the rest of their lives. It is appalling when grandchildren are used as a tool in divorce or in separation. That is why I would like to see implemented the changes that I have outlined, so that we can better protect the rights of grandparents and of grandchildren.

Question put and agreed to.

Ordered,

That Andrew Percy, Tracey Crouch, Justin Tomlinson, Tom Blenkinsop, Mr Gregory Campbell, Karen Bradley, James Wharton, Greg Mulholland, Chris Skidmore, Martin Vickers, Mr Brian Binley and Craig Whittaker present the Bill.

Andrew Percy accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 June, and to be printed (Bill 110).

National Insurance Contributions Bill

Second Reading

Madam Deputy Speaker (Dawn Primarolo): Before I call the Minister, I inform the House that Mr Speaker has not selected the reasoned amendment tabled in the name of the Opposition.

4.44 pm

The Exchequer Secretary to the Treasury (Mr David Gauke): I beg to move, That the Bill be now read a Second time.

The Bill before us consists of two parts. The first part introduces a 1% increase in the rate of national insurance contributions from April next year, as announced by the previous Government, although let me assure my right hon. and hon. Friends that we will reverse the impact of this jobs tax through an increase in the employer national insurance threshold. We have already announced the increase in the income tax personal allowance.

Mr Andrew Love (Edmonton) (Lab/Co-op): I thank the Minister for giving way. What is the net impact on employers of the 1% increase offset by the increase in threshold? What is the impact on individual businesses?

Mr Gauke: Compared with the plans that we inherited, the impact of the increase in threshold will be such that employers will pay £3 billion less in employer's national insurance contributions. The overall reduction of the burden on employment will be £6 billion as a consequence of the overall package.

Mr David Hanson (Delyn) (Lab): Will the Minister confirm, however, that about £1.4 billion is not being compensated for by the threshold? I want us to be clear. He says that he has offset the threshold, but he has offset only about £3 billion, not the whole amount of the rise.

Mr Gauke: The fact is that the Labour party would have raised the full amount. We are offsetting £3 billion, which will be most helpful for employers whose employees earn under £20,000. The package is good for employment and, given the fiscal mess that we inherited, I am very proud that this Government are able to reform national insurance contributions exactly as we set out in our manifesto at the general election, and in the coalition agreement.

As far as we can deduce it, the Labour party's position is that it wants to do more to reduce the deficit by raising taxation and it does not believe in increasing VAT, which will bring in £13 billion a year. We can assume only that it would favour greater increases in national insurance contributions than it had already set out.

We are not going to take any lectures; this Government have managed to reverse a very painful and damaging policy that would have meant employers' contributions rising for every single employee paying national insurance—and in a way that would have damaged jobs in this country.

Mike Gapes (Ilford South) (Lab/Co-op): Is the Minister aware that the proposals in the Bill discriminate against many areas—in London, in particular—with above-average unemployment? Will he explain to people in my constituency, where according to the Library there is already 6.6% unemployment, why on earth the national insurance contribution holiday does not apply to them?

Mr Gauke: The hon. Gentleman brings me on to the second part, to do with the national insurance holiday, which applies on a regional basis. If I can develop my arguments, I will turn in some detail to the precise point that he has set out.

Stephen Pound (Ealing North) (Lab) *rose—*

Mr Gauke: I will give way to the hon. Gentleman, but before I do, may I congratulate him on his long-delayed but much-deserved promotion to the Labour Front Bench?

Stephen Pound: That is extremely generous of the Minister. All I can say is that if he was surprised, imagine how I felt.

The Minister just gave the figure for receipts following on from the increase in VAT. Are his figures based on current patterns of consumption or on an anticipated level of consumption? Most economists would say that the VAT increase will depress demand and reduce consumption.

Mr Gauke: The sums are based on the assessment made by the independent Office for Budget Responsibility at the time of the Budget. I hope that that provides some clarification to the hon. Gentleman.

Part 1 of the Bill provides for changes, which the previous Government announced in two instalments, to national insurance contributions from next April. Initially, a 0.5% increase in rates was announced in the 2008 pre-Budget report. That was then changed to a 1% increase in the pre-Budget report of the following year.

I am sure that Members will remember that reversing the most significant impacts of those rate rises was a key issue at the general election. The Federation of Small Businesses said that the policy would cost 57,000 jobs. Thirty business leaders supported our campaign to reverse the policy. When the letter from those 30 business leaders—many other business leaders followed shortly—was published, Tony Blair apparently considered that for Labour the game was up. Thankfully, he was right, and we now have in place a Government who are determined to bring down the deficit but also to put in place conditions favourable to private sector-led growth.

In June, we announced our plan to reverse the most damaging aspects of Labour's jobs tax. There was a choice how best to do this—for example, we could have cancelled the rate and threshold rises—but we have chosen the option that best protects low earners. In the emergency Budget, my right hon. Friend the Chancellor confirmed that national insurance contribution rates would rise by 1%, that the personal allowance would increase by £1,000 from next April, and that the employer national insurance contribution threshold would rise by £21 a week plus indexation. The reform of employer national insurance contributions is exactly as set out in the 2010 Conservative party manifesto.

The Bill sets out how these rises will apply to the main rates of class 1 national insurance contributions. The employer rate will rise from 12.8% to 13.8% and the employee main rate will rise from 11% to 12%. The 1% increase will also apply to class 1A and 1B contributions that are paid on benefits in kind and pay-as-you-earn settlement agreements. The same 1% rise will apply to class 4 contributions paid by the self-employed, which will rise from 8% to 9%. Taking into account the increase in the personal allowances and employer threshold, the net effect of these changes will reverse the damaging £6 billion-a-year net increase in the cost of labour planned by Labour Members. Our package of measures entirely reverses this increase.

Compared with the plans that this Government inherited, no changes are being made to the rates. More than £3 billion a year is being returned to employers through the threshold increase, and even more to individuals through the increase in the personal allowance. Our actions will mean that some 880,000 low earners in the UK will be taken out of income tax altogether.

Mr Love: The hon. Gentleman mentions low earners. Of course, the thing that the Conservatives did not put in their manifesto was that they would raise VAT. They talked about national insurance being a tax on jobs, but is it not correct to say that the rise in VAT will destroy more jobs than the national insurance increase would have done?

Mr Gauke: No. We agree with the view of Tony Blair and, apparently, the previous Chancellor of the Exchequer that VAT is the right tax to raise if one wants to get a substantial sum of money. The hon. Gentleman will find that most economists take the view that in terms of the impact on jobs, increasing employers' national insurance contributions is far more damaging than any increase in VAT.

As a result of the package of measures that we are putting in place, employees earning under £35,000 a year will pay less in income tax and national insurance contributions overall, and employers will pay less national insurance on employees earning under £20,000 a year. As well as the 880,000 low earners taken out of income tax, almost 1 million low earners will no longer pay national insurance contributions, while the number of low earners for whom employers pay no national insurance contributions will rise by about 650,000. It is also worth mentioning that people who will now be exempt from paying national insurance will retain the same entitlement to contributory benefits. However, tackling the deficit remains the priority, and the benefits to low earners could be achieved only through the increase in national insurance contribution rates included in the Bill. This decision is fair and progressive, and it will help to support the poorest and most vulnerable in society.

Let me turn to part 2 of the Bill. In the June Budget, my right hon. Friend the Chancellor announced an employer national insurance contribution holiday for new businesses in countries and regions with a high dependency on the public sector. This holiday will apply across Wales, Scotland and Northern Ireland and many regions of England—the north-east, the north-west, Yorkshire and the Humber, the west midlands and east midlands, and the south-west. Those areas have a higher proportion of jobs in the public sector than the rest of

the country, and as we take the much-needed steps to rebalance our economy, it is vital that they benefit from additional support.

Mr John Baron (Basildon and Billericay) (Con): There is no doubt that one welcomes this package of measures, which will help the lower paid in particular. However, will my hon. Friend revisit the Government's decision to exclude businesses in the south-east from the national insurance holiday? Otherwise, it could be seen to discriminate against local entrepreneurs there and hit the areas that need higher employment.

Mr Gauke: I understand my hon. Friend's point, but the fact is that we have limited resources and have inherited a legacy in which the private sector is relatively strong in some areas, such as his constituency and mine, but much weaker in others. At a time when we cannot rely on massive public spending, and when the public sector will have to find economies, it is perfectly reasonable that we have adopted the approach of focusing on areas where there is high dependence on the public sector.

Stewart Hosie (Dundee East) (SNP): I am very supportive of the proposal in general terms, but when the Government came to their decision on it, did they consider extending it to existing businesses with very small work forces of one or two people as opposed to simply new starts, and did they consider what the cost of that might have been?

Mr Gauke: The focus of the policy has always been on start-up businesses. It is an attempt to encourage new businesses to be set up, given where we are in the economic cycle and the need to encourage private sector growth. That is why the Conservative party's policy before the general election was focused on start-ups. After the election we considered how best to introduce the policy, and came to the view that we should include the regions where the private sector was at its weakest.

Penny Mordaunt (Portsmouth North) (Con): If the scheme cannot be extended to an entire region, does the Exchequer Secretary accept that there will be pockets of that region, such as my constituency, that would benefit massively from it? The area has historically had very low new business start-up rates and would benefit from what I think is an excellent scheme. When I asked his Department about the costs of administering the scheme in such areas, it said that they would be prohibitive, but I cannot understand why that would be. Can he elaborate on that?

Mr Gauke: If we were to choose precisely where the policy applied on a much more closely defined geographical basis, we would have difficulties such as distortive behaviour, problems in enforcing the policy, the bureaucracy that may be involved, the need to establish where a company's principal place of business was, and the difficulty of policing the scheme. Also, labour markets tend to be somewhat larger than constituency or even local authority areas. My hon. Friend is right to highlight the circumstances in Portsmouth, but there are neighbouring seats with a very low level of public sector employment and quite a high level of private sector employment. Such labour market flexibility can exist.

Mr Andrew Tyrie (Chichester) (Con): I take my hon. Friend's points about the limited resources, the risk of bureaucracy and the difficulty of policing the scheme, but Robert Chote, while he was still at the Institute for Fiscal Studies, described the regional relief scheme as

"complicated...prone to avoidance and oddly targeted."

I have had a number of representations to that effect. What assurance can my hon. Friend give that the scheme will not be accompanied by an enormous amount of extra regulation and a much higher compliance burden?

Mr Gauke: My hon. Friend raises a fair point. We are determined that in administering the scheme, Her Majesty's Revenue and Customs will adopt a light touch as much as possible. The problems of bureaucracy and avoidance would be much greater if we tried to drill down to constituency or local authority level as opposed to regional level. I assure him that our assessment is that gains for participating businesses will greatly outweigh any administrative costs that they may face.

George Hollingbery (Meon Valley) (Con): It occurs to me that this is a particularly prescribed aspect of the Bill with three particular areas identified. Will the Minister consider taking powers to himself that allowed him not just to exclude areas, but to keep a register of those he felt could be excluded, therefore allowing some flexibility? Should labour markets deteriorate markedly in certain areas, he could then revisit his decision and decide to support certain areas.

Mr Gauke: What we must bear in mind is that we have limited resources. If we were to extend this measure to every part of the country, the cost would increase by around 70%—in other words, £660 million over the course of three years. For the reasons that I set out, it would be difficult to drill this down to very precise areas.

Mr Love *rose—*

Mr Gauke: I must make some more progress.

If we are to move to a model of economic growth founded on private sector enterprise and investment, it is important that we encourage the formation of new business. For that reason, the holiday applies only to businesses that have been set up since 22 June, the date of the Budget. To ensure affordability, the holiday is limited to the first 10 employees taken on in the first 12 months of business. For each of those workers, the holiday will last for a single year, unless the closing date for the scheme—5 September 2013—is reached before the 12 months is up.

John Cryer (Leyton and Wanstead) (Lab): I have listened very carefully to the Minister. Some 40% of the people in employment in my constituency work in the public sector. I represent some of the most deprived wards in London, which means some of the most deprived in the country, yet my constituency will be excluded from the holiday, whereas certain leafier parts, outside London and the south-east, will be included.

Mr Gauke: A labour market is not restricted to particular constituencies. The fact is that the private sector is much stronger in London and the south-east and East Anglia, and it is right that we focus this help at a regional level.

Charlie Elphicke (Dover) (Con): I welcome this measure. It is just the thing to spur on the private sector. In evidence to the Treasury Committee, Alan Clarke said that it was a "particularly encouraging measure". Mr Whiting, of the Chartered Institute of Taxation, said that it was a

"worthwhile experiment for the small, new business with new employees."

This is just the sort of measure to encourage the private sector that the House should be passing.

Mr Gauke: I am grateful for that intervention. We have to build this private sector recovery. This measure is a useful contribution, particularly to those regions where the private sector is not as strong as elsewhere. It is a transitional measure, scheduled to end in three years. We are committed to monitoring and evaluating its effectiveness over that period to ensure its success.

It is not our intention for this policy disproportionately to benefit businesses that employ highly paid staff. For that reason, the maximum amount that an employer can profit from any single employee is limited to £5,000. That cap ensures that the policy will not distort European Union markets and that it complies with state aid legislation. We do not expect any significant competitive disadvantage to arise either for existing businesses or for new businesses in regions where the holiday does not apply. The Bill also makes provision for the administration of this measure. Businesses benefiting from the holiday can withhold the employer contributions from the monthly payments they make to HMRC. If the payment cannot be withheld, the businesses can apply to HMRC for a refund. That will help to minimise employers' costs as well as the costs of delivery.

The Government expect that hundreds of thousands of businesses will benefit from the measure over the next three years. In the Budget, we estimated that new businesses would save hundreds of millions of pounds worth of national insurance contributions during the lifetime of the scheme, giving them the ability to hire more staff, expand their business or invest in the recovery.

Jeremy Lefroy (Stafford) (Con): The Government correctly emphasise the importance of the voluntary sector, and it is likely that there will be a surge in the number of charities that are set up. I declare an interest as a trustee of Stafford Works, which is a new charity. Will the Minister confirm whether charitable trusts and companies are included in the scope of part 2 of the Bill?

Mr Gauke: A charitable entity that is located in one of the relevant regions and that carries on a trade, vocation or business will benefit. That is likely to apply to, for example, shops that are run by charities. Such entities must meet that criterion to benefit, but not all charities will necessarily do so.

Mr Hanson: Will the Minister tell the House, for the sake of clarity, how many businesses have to date applied for the holiday?

Mr Gauke: At this early stage, we have had around 1,000 applications, but we expect more as awareness of the policy becomes greater and as businesses contact their professional advisers. We are keen to publicise the policy, and I encourage hon. Members for any of the relevant regions to notify businesses in their areas. The Government and our policy aim to help businesses and those who want to start a business and get it going. In contrast, the previous Government increased such taxes. Start-up and existing businesses throughout the country faced rising taxes and employers' national insurance contributions, which was a particularly deeply damaging tax.

The Bill is an important part of the Government's plan to reduce Labour's taxation, help those on the lowest incomes, and support private enterprise and employment in the parts of the country that need them most. It is a simple and important Bill, and I commend it to the House.

5.7 pm

Mr David Hanson (Delyn) (Lab): I am grateful to the Minister for his exposition of the Bill. We will test aspects of it in Committee and at other stages in its passage. As he said, it divides effectively into two parts. The first part is the increase in national insurance contributions by 1%, which we will support because we want to ensure that we protect services and support our economy. The second part introduces a three-year regional national insurance holiday for new employers. As the Minister said, many businesses will qualify for their first 10 employees in their first year of business; I shall return later in detail to the question of the regions and areas that will not qualify.

Let us first consider the national insurance contributions. The Minister rightly said that this policy was set out both in the Labour manifesto and elsewhere in the period before the general election in May. My right hon. Friend the Member for Edinburgh South West (Mr Darling), the then Chancellor, announced in the pre-Budget statement on 9 December 2009 that the previous Government would increase national insurance contributions by 1% to protect public services. We had a choice, and we were straight about it both before and during the election. Raising national insurance contributions was a tough decision, but we ensured that we would protect those earning less than £20,000 a year.

The Conservatives condemned that national insurance rise throughout the election, but—surprise, surprise!—they have now decided to go ahead with it. In the Conservative manifesto, which I have come to recognise is not worth the paper it was written on, the party committed itself to raising the thresholds for national insurance by £24 a week, the upper earnings limit by £29 a week, and the secondary threshold at which employers start paying national insurance by £21 a week. I look forward to seeing the details in the secondary legislation.

My intervention on the Exchequer Secretary showed that although the Government are raising the thresholds, there is still a shortfall of about £1.4 billion in employer national insurance contributions. The Labour party was open about that in the run-up to, and during, the general election, but the Conservative party was not. In my view, this is all smoke and mirrors.

Mr Gauke: Page 8 of our manifesto stated that we would

"raise the secondary threshold at which employers start paying National Insurance by £21 a week."

The secondary legislation will increase the secondary threshold at which employers start paying national insurance by £21 a week, so we are doing exactly what we said in the manifesto.

Mr Hanson: But there were no caveats about a shortfall in the Budget proposals of about £1.4 billion. I think it is smoke and mirrors—and, as my hon. Friend the Member for Edmonton (Mr Love) said, it is coupled with the increase in VAT from next year. The VAT rise will impact more than three times as much as the increase to national insurance contributions would have done, and will affect 250,000 jobs.

Charlie Elphicke: Will the right hon. Gentleman give way?

Mr Hanson: I will give way to the hon. Member for Dover (Charlie Elphicke); the national insurance holiday will not apply in his constituency.

Charlie Elphicke: The right hon. Gentleman is right that the national insurance holiday will not apply in my constituency—a matter that I regret. Nevertheless, I welcome the fact that 1,400 of the least well-off people in my constituency will be taken out of tax altogether. It seems that he opposes the increase in the personal allowance and would rather cut national insurance, which we originally planned to do. Instead, we are helping the least well-off. Surely he would welcome that.

Mr Hanson: I look forward to the hon. Gentleman going back to Dover to explain why he is supporting not only a Bill that does not give a national insurance holiday to his constituents, but the VAT rise elsewhere in the Budget proposals—we need to look at that in the round—which will impact on pensioners, the low paid and everybody in his community. This is not a topic for today, but the debate on the national insurance rise was open and honest on our side. During and after the election, the Conservative party argued against the rise, but it is now implementing it. On top of that, it is not meeting the objectives in its manifesto and has increased VAT. I think that a VAT rise is a regressive tax policy that will hit the poorest hardest, but that is the choice that the Conservative party has made.

I want to focus most of my remarks on the second part of the Bill. The decision to introduce a regional employer national insurance holiday is welcome, but it specifically excludes new businesses in Greater London, the south-east and the eastern region. We tabled a reasoned amendment that has not been selected, but which would have declined to give a Second Reading to the Bill because of those exclusions. I sense that the hon. Members for Portsmouth North (Penny Mordaunt), for Meon Valley (George Hollingbery) and for Basildon and Billericay (Mr Baron), who spoke earlier, will have expressed their concerns about how the choices on the national insurance holiday were made. *[Interruption.]* The Economic Secretary to the Treasury says that we would have increased national insurance contributions across the board.

Madam Deputy Speaker: Order. We cannot have comments shouted across the Floor from a sedentary position. It makes it very difficult for *Hansard* to record our proceedings, particularly when the comments are then referred to without having been recorded. Will the hon. Lady make her point from the Dispatch Box, so that the right hon. Gentleman can answer it?

The Economic Secretary to the Treasury (Justine Greening): My point was that the Labour party would have increased NICs for absolutely everybody.

Mr Hanson: The hon. Lady knows that that was a clear and honest policy that we put to the electorate. The Government have now introduced proposals for a national insurance holiday for new businesses in certain regions. I will explore shortly why we think that that choice is unfair in the context of the resources the Government are trying to save.

Justine Greening: Can the right hon. Gentleman tell us whether it is still his party's policy to go ahead with those NIC rises?

Mr Hanson: I have said what I have said. We were open and honest during the election campaign, and we will support the rise proposed in the Bill, because we expected to do that. During the election campaign, the Economic Secretary and the Exchequer Secretary attacked the NIC rise without proposing the alternative that they have seen through in practice.

Let us put that aside, because the key issue before the House is the payment holiday. We do not believe that it is being proposed fairly, honestly or openly, and we do not believe that it will help the poorest and most deprived areas of the UK, which in great part are excluded from the scheme. Of the top 12 most deprived local authorities on the economic deprivation index, no fewer than seven will be excluded from the payment holiday. The seven boroughs of Hackney, Newham, Tower Hamlets, Islington, Barking and Dagenham, Haringey and Lambeth are excluded from the scheme.

In his written statement on 6 September, the Exchequer Secretary said:

> "The Government are determined that all parts of the UK benefit from sustainable economic growth". [*Official Report*, 6 September 2010; Vol. 515, c. 1WS.]

If we are having a holiday from national insurance contributions, I do not understand how excluding those areas from the payment holiday will do that.

I want to challenge the Government's logic. They claim that the reasoning behind the policy is that areas outside London, the south-east and the east are more reliant on public sector employment. Will the Exchequer Secretary confirm that that is his logic?

Mr Gauke *indicated assent.*

Mr Hanson: The Minister has confirmed that. Tomorrow's business leaders who want to start businesses in the constituencies of Oxford East, of Luton North, of Lewisham East, of Canterbury, of Southampton, Test, of Eltham, of West Ham, of North Thanet, of Hackney North and Stoke Newington, of Tooting, of Islington North, of Dulwich and West Norwood, and of Brighton, Kemptown will miss out. I mention those constituencies specifically because they are in the top 10% in the country with the highest percentage of public sector employment.

[Mr Hanson]

As the hon. Gentleman knows, there are 650 constituencies. His policy is supposed to help compensate for possible loss of employment in the public sector. Those concerns have been reflected today, and I pay tribute to the hon. Members for Portsmouth North, for Meon Valley and for Basildon and Billericay, who have defended their constituencies and raised their concerns about how the policy will be applied.

If there is to be a holiday, it can be applied in different ways. It could be applied regionally, as the Minister has done, or on the basis of unemployment levels or regional levels of public sector employment per constituency, instead of the blanket regional approach that the Minister has chosen.

Mel Stride (Central Devon) (Con): The shadow Minister has heard that rolling the scheme out across the entire country would cost an additional £660 million. Will he explain whether he would propose to raise that by increasing our deficit, by cutting expenditure—in which case what expenditure would he cut—or by raising taxes, in which case what taxes would he raise?

Mr Hanson: That is a fair and valid point. Yesterday, in reply to a parliamentary question, the Minister emphasised the cost of the scheme for the regions covered. My purpose today is to challenge the Minister's logic for allocating the resources for the payment holiday to the regions that he has selected, because that distribution does not necessarily reflect the level of deprivation or public sector employment. The cake that the Minister has allocated may be sliced in several ways, but he has sliced it to exclude the constituencies represented by my hon. Friends in London and those who represent seats in the south.

Barry Gardiner (Brent North) (Lab): Will my right hon. Friend give way?

Mr Hanson: How can I resist my hon. Friend from London?

Barry Gardiner: Is my right hon. Friend aware that Tottenham, which has the eighth highest number of jobseeker's allowance claimants in the country, will not benefit, although Tatton, which has the 509th highest number of JSA claimants, will receive the NI break? Is that fair?

Mr Hanson: My hon. Friend makes a very valid point. I do not begrudge the people of Tatton anything, and I will tell him why. I was once a Labour councillor in the Tatton constituency. I represented the ward of Rudheath and Whatcroft, and I was the leader of the Labour council that covered half the constituency at that time. I have absolute faith in those areas, but there is deprivation in Tatton. In fact, Neil Hamilton, a former Member of this House for that area, was my pair when I first came here. Such is life! But that is another story.

Tatton has one of the lowest levels of unemployment in the country. That constituency, which is represented by the Chancellor of the Exchequer, will get the benefit of the national insurance holiday to start 10 employees, but Portsmouth North will not. Neither will Brent North, Edmonton or Lewisham. The constituency of my hon. Friend the Member for Leyton and Wanstead (John Cryer) will not get that benefit either—

Stephen Pound: Neither will Ealing.

Mr Hanson: Indeed, and neither will the constituencies of my hon. Friends the Members for West Ham (Lyn Brown) and for Ilford South (Mike Gapes). We are talking about encouraging growth and promoting job opportunities, and how we split the cake is very important, as the hon. Member for Central Devon (Mel Stride) has pointed out. My hon. Friend the Member for Brent North (Barry Gardiner) mentioned the different figures for jobseeker's allowance across the country. We need to address those significant differences.

Mr Love: For the record, unemployment in my constituency is about the 50th highest in the country, and my constituents want to know why they will not be getting the benefit of these measures in the Bill. The fallacy behind the Government's argument is that the affluent part of the region will raise employment in my constituency, but all the evidence shows that there are hard-core pockets of unemployment, and that even during the economic good times over the past 13 years, unemployment there did not come down. The only way to address that fallacy is to apply the provisions of the Bill to all the regions of the country, as my hon. Friend suggests.

Mr Hanson: I am grateful to my hon. Friend. The question that the Minister needs to reflect on, here or in Committee, is how we should split the national insurance holiday cake. There are many ways of doing that, but his way is unfair to the areas of greatest need, to the areas with the highest public sector employment, and to areas that contain seas of prosperity as well as deprivation.

The Minister has mentioned areas of high public sector employment, but I have already shown him the fallacy behind his argument as it affects many of our constituents throughout the country. Figures for jobseeker's allowance show that the rate of unemployment is currently higher in London than in the south-west, part of which is represented by the hon. Member for Central Devon, in North Wales, where my constituency is, or in Scotland, where it is 3.8%. Unemployment is also higher in London than in the east midlands or the north-west—*[Interruption.]* The Economic Secretary to the Treasury did not take your strictures to heart, Madam Deputy Speaker. She is continuing to heckle from a sedentary position. I would be happy to give way to her if she wants to intervene.

However we measure unemployment, the levels of jobseeker's allowance claims in London are higher than in the south-west, Wales, Scotland, the east midlands and the north-west. Indeed, they are above the UK average. That is a key point when we are thinking about how to divide the cake up.

Andrew Bridgen (North West Leicestershire) (Con): I must say that the enthusiasm being shown by the right hon. Gentleman, and by so many Opposition Members for this fantastic Conservative policy, or coalition policy, on national insurance holidays is absolutely heart-warming.

Mr Hanson: The hon. Gentleman will know that North West Leicestershire will benefit from the scheme, but I hope that he will look slightly beyond the confines of Leicestershire and talk to the hon. Members for Portsmouth North, for Meon Valley and for Basildon and Billericay, who have all expressed concern about the proposals.

Charlie Elphicke *rose—*

Mr Hanson: Perhaps the hon. Gentleman can tell us whether he is in favour of his constituents not having this benefit at this time.

Charlie Elphicke: I spoke on the subject of regionalisation in the Finance Bill, and we have to take the rough with the smooth. Does the right hon. Gentleman welcome the fact that in places such as Delyn, 500 new jobs have been created in the past six months? In Dover 500 new jobs have also been created in the past six months. Across the country as a whole, about 300,000 new private sector jobs have been created in the past six months. Does he not welcome that?

Mr Hanson: I think I know Delyn better than the hon. Gentleman. If he would like to come to me to talk to the 320 people who lost their jobs yesterday at Headland Foods in Flint, I should be happy to discuss the issue. That happened only yesterday in my constituency, so I will not take any lessons from him about what happens on my patch in north Wales.

I will tell the hon. Gentleman straight away, however, that West Ham has 6.8% unemployment, Tottenham 7.4% and Camberwell 6%. That is more than three times the level of unemployment in Tatton, in Richmond (Yorks), represented by the Foreign Secretary, and in Derbyshire Dales, represented by the Government Chief Whip. Indeed, it is four times the level in Sheffield Hallam, represented by the Deputy Prime Minister. All those areas will benefit from the scheme, while areas of severe deprivation in London will not.

Let us look at the constituencies of coalition Cabinet members. Berwickshire, Roxburgh and Selkirk has 2.8% unemployment, North East Somerset has 1.6%, Tatton has 2.1%—

Jacob Rees-Mogg (North East Somerset) (Con): Will the right hon. Gentleman give way?

Mr Hanson: In a moment. *[Interruption.]* Not North East Somerset. The hon. Gentleman knows that I meant the Defence Secretary's constituency. I am sure that the hon. Member for North East Somerset (Jacob Rees-Mogg) will eventually make the Cabinet, however, because he is an assiduous attender of the Chamber.

Richmond (Yorks) has 1.8% unemployment, Derbyshire Dales has 1.6%, Rushcliffe has 2%, Sheffield Hallam has 1.8%, Sutton Coldfield has 2.6%, North Shropshire has 2.7%, and Inverness has 2.3%. All the Cabinet members representing those constituencies will benefit from the payment holiday, while colleagues representing seats in Walthamstow, Islington, Mitcham, Luton North, Luton South, Tottenham, Tooting, Dulwich, Streatham, Hampstead, Vauxhall, Hammersmith and the two in Hackney will not.

If we are to make the scheme fair, taking the point that the hon. Member for Central Devon made, we should divvy up the benefits that the Government are bringing forward in a way that tackles the central issues of deprivation and unemployment.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): We as a party welcome the initiative, and I am sure the Government will be happy to hear that. It is an important countervailing measure, and we need further such measures. Have the Opposition assessed how much it would cost to roll out the scheme as they suggest in their amendment, and how that would be funded?

Mr Hanson: If the scheme were applied to Greater London, the east and the south-east, and taken up at the level that the Minister expects, it would—according to figures that he gave me only last night—cost about £660 million. He says that there are about 1,000 interested companies to date, but I do not know what the take-up would be.

The cost could be offset by new employment and new taxes, because let us remember that the scheme under discussion is for new businesses, so the holiday period offset will be a cost to the Treasury, but it could be offset by increased growth, increased taxation paid by individuals who are employed and by the increased growth of businesses. The cost of the scheme downstream, at the end of the three years, is debatable, but, equally, there are ways in which we could divvy up the money that the Minister has allocated to the regions of Wales—one of which the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) represents—and all others. We could think about whether to divvy them up differently, so as to tackle areas of high unemployment in London or—if the Minister's criterion is high public sector employment—areas with high public sector employment, such as those that I mentioned. They are in the 10% of areas with the highest such employment, and include seats that the current scheme will not cover.

Andrew Bridgen: Will the right hon. Gentleman clarify his statement? Did he just suggest that we cut taxes to increase growth in order to increase the tax take overall? If so, I welcome the right hon. Gentleman as a believer in the Laffer curve.

Mr Hanson: The hon. Gentleman knows that the Opposition have a growth strategy. We had one prior to the election.

The measure under discussion has been proposed to give new businesses a national insurance holiday to help them with their costs for three years. The Minister estimates the costs for the three regions as £650 million to £660 million, based on the scheme's anticipated roll-out in those regions. My simple point is that these are new employment jobs and new businesses, so they will presumably entail new employment areas and new people employed to fill them, who will pay new taxes. All that is part of the growth strategy, which will be hit hard by VAT increases and public spending cuts. That is a separate issue.

If we are thinking about a payment holiday, the question for me is whether it will achieve its objectives by being available in the areas of the highest public sector employment, or whether it will go to areas such

[Mr Hanson]

as Tatton, Richmond or other wealthy areas of the north and midlands. In those areas jobs will be created, but the people who most need them will not be able to get them. That is the crucial issue for debate.

Without making a party political point of it, I would argue that Government Members have participated constructively both in previous debates on this subject and in today's debate. John Walker, the chairman of the Federation of Small Businesses has said:

"With small firms in the South East most likely to be working below capacity, this shows how wrong the Government is to not include this vital region, as well as the East and London, in its proposals for a National Insurance holiday for start-up businesses."

I have already said that we are not going to vote against the Bill—although if the reasoned amendment had been selected we would have voted for that. However, it is important both to consider the issue in the round and for the Minister to reflect on the concerns expressed, by his hon. Friends as well as by Labour Members, about the application of the national insurance holiday.

At the same time as implementing this Bill, the Minister is scrapping completely the regional growth strategy for different departments, and scrapping the regional development agencies and replacing them with local enterprise partnerships, which in my view will not help with regional development to the extent that we would want. The Under-Secretary of State for Defence, the hon. Member for Mid Worcestershire (Peter Luff) has said that that sends out the wrong message about the work that has been done.

We need to look towards a better application of this policy, and the Minister needs to reflect further on the concerns expressed in our debate. Although we will disagree politically, I am most interested in ensuring that any national insurance holiday is of benefit to the people who most need it. Sadly, the Bill misses the mark in that respect, and fails to address those key issues.

I repeat that we will give the Bill a fair passage and not vote against it this evening. We welcome the rise in national insurance, which we too would have implemented. We welcome the holiday provisions as far as they go, but they need further reflection, so we will take every opportunity in Committee to try to persuade the Minister to look at more imaginative schemes, which might use the same amount of money in different ways, or extend the holiday to areas where it would be a valued resource and help reduce unemployment in the constituencies in the south-east, London and the east that most need that.

I hope that what I have said is helpful to the Minister. I look forward to spending the next few weeks in Committee with him, just as I have spent the last few weeks in Committee with him and his colleagues on various other Bills. To make a wholly non-partisan point, the Treasury appears to be one of the busiest Departments at the moment, and we are all having fun. I am sure that our discussions will shortly continue elsewhere.

5.33 pm

Michael Fallon (Sevenoaks) (Con): I am not alone in finding that a rather disappointing response—an untypically disappointing response. Part 2 of the Bill introduces something that the Labour Government never introduced in their 13 years in power, yet the minute we introduce it, they say: "Well, it doesn't really go far enough". We have heard 25 minutes of "We want a better Bill, but we never backed it". Labour has still not proposed to make this provision part of its own policy, yet it wants it extended to other parts of the country.

Unlike the Labour party I welcome part 2, comprising clauses 4 to 11, just as I welcome any reduction in the burden of taxation on small businesses, even if it is described—rather unfortunately, I think—as a "holiday". Only in the weird and wonderful world of Her Majesty's Revenue and Customs could the process of allowing a business to keep more of its own income and turnover be described as some sort of holiday. I rather regret that this phrase has now crept into the legislation. Small businesses pay too much tax, so anything we can do to reduce that burden has to be helpful. Why? Because the bulk of private sector job creation has come, and will continue to come, from small companies. Sadly, it is large companies that continue to reduce their costs, to strip out unnecessary manpower and to outsource various functions, while it is small businesses that have been, and will be, the engine of job creation.

Geraint Davies (Swansea West) (Lab/Co-op): Is not the main engine for job growth among small and medium-sized enterprises the expansion of existing SMEs rather than the creation of new ones, although of course that is an important engine as well? Does the hon. Gentleman favour the extension of the measure to new employees of existing SMEs? As he may know, and as I know from personal experience, starting a business involves a number of risks, and obviously this is one of the factors. An established SME could probably do much more with the "holiday".

Michael Fallon: I was about to suggest that the measure might well be extended. It is true that job creation comes from existing small businesses, although it also comes from new ones. I think that we can find some common ground in that regard.

I have three main reasons for supporting the Bill. First, I believe that it is the right way to help small businesses. It is not the only way, but I do not think that the other ways that have been tried in the past—grants, loans, business link services, and a great deal of bureaucracy—are nearly as effective as allowing small businesses to keep more of their own money, and to employ more people more cheaply. Given that a Government cannot create jobs, this is the easiest, simplest and most effective way of encouraging businesses to take on more people.

My second reason for supporting the Bill, which is directly relevant to the intervention from the hon. Member for Swansea West (Geraint Davies), is that it is clearly future-proof. I note that the Opposition do not oppose it, either in principle or in detail; indeed, they want to extend its provisions throughout the country. If it turned out to be spectacularly successful—and none of us in the House knows yet whether it will—its provisions could be extended. At present, the scheme applies only for the first year of a new business, it is open for only three years, it applies only to the first 10 employees, and it applies only to the regions that we have been discussing.

If we discovered that the Bill really did encourage the creation of more jobs and did not divert employment from existing businesses, it would be perfectly possible—once the economy had recovered, we had closed off the deficit that we inherited, and more money was available—to extend the scheme in different ways. It would be possible, for example, to apply it to the first two years of a business. It can take longer than a year for a very small business to establish itself. It would be possible to keep the scheme open for the whole of the current Parliament, matching the reductions that are sadly necessary in public sector employment to encourage private sector employment alongside it. It would also be possible to apply it not simply to the first 10 employees but to, say, the first 20 or 30. I see nothing particularly magical about the step change involved in employing that 11th person. And yes, if the scheme really was working, it might well prove desirable and cost-effective to start extending it to some of the other regions. I note that the three excluded regions contain the south-east—my own region—East Anglia and London, which currently contain half the number of all our small businesses. If small businesses had already been successful in those regions, perhaps, if costs allowed, it might be possible to extend the scheme in four or five years' time if it worked particularly well.

Stewart Hosie: The hon. Gentleman said that there was no step change between the 10th and 11th employees, and he was right. However, there is a huge step change for a sole trader taking on his or her first employee. Does the hon. Gentleman think that, if the scheme were rolled out in the way that he suggests, it should be rolled out to existing sole traders taking on their first employee, which involves a huge commitment?

Michael Fallon: I am not sure whether someone would remain a sole trader in those circumstances, but it is true that becoming responsible for someone else's payroll is often the most difficult step for those who are self-employed or trading on their own account. I certainly think that we should explore that possibility further.

The third, and final, reason why I support the Bill is an entirely different one. The Bill is quite rare in that it recognises the rights of non-workers. I have never forgotten an encounter I had when I was representing a north-east constituency. It occurred at the height of the engineering recession of the early 1980s, when the jobcentre manager in Darlington said to me, "There's plenty of work about, Mr Fallon, but very few jobs." What he meant by that was, of course, that the labour market had fossilised. So many restrictions and costs were involved in hiring extra labour that it was too expensive and too risky for firms to take on more staff. Of course, the previous Conservative Government addressed that through a range of liberalisations that tackled areas such as employee rights, access to tribunals and restrictive practices, and I think that a Government need to do that every few years. They need to look again at the balance between those who are fortunate enough to be in the labour market and enjoying the various job protections that this House has given them successively over the years and those who are excluded from the labour market, because those who are excluded have rights too. If we make it increasingly difficult for companies to fire people, then we inevitably make it increasingly difficult for companies to hire people. If we build in unlimited awards for various types of discrimination—sexual discrimination, for example—we discourage firms from employing more women. There is a balance to be struck therefore, and I think that needs to be reassessed every few years.

Small businesses in my constituency tell me that at present they will do almost anything they can to avoid taking on new people, partly because of the difficulty of getting rid of them if they turn out to be unsuitable or unreliable or if they are not prepared to work hard enough, and partly because of the administrative costs piled on them by the last Labour Government through, for instance, needing to check student loan repayments, child care reliefs and immigration status. When we consider measures such as those in this Bill, we need to be thinking all the time about how we can make it easier for businesses to employ people.

This is a short Bill, and it would be wrong to overstate its effects. It must be considered in the context of the other measures to help small businesses, such as the reduction in their corporation tax rate, which I welcome, and the extension of the guarantee scheme. I suspect that the Bill will prove to be successful however, and, if so, I hope that it will be the start of a much wider and deeper process of removing the barriers to growth, such as the thicket of regulation our small businesses have to struggle through and the heavy burden of taxation that still inhibits too many of them. I welcome the Bill.

5.43 pm

Mike Gapes (Ilford South) (Lab/Co-op): I wish to concentrate on the situation facing my constituents and many others in London. The House of Commons Library has published a note that is of great help to all who take an interest in the subject of today's debate, and it says that, on the basis of International Labour Organisation measures of unemployment, the highest rates are in London, the north-east and Yorkshire and the Humber, where the figure is 9%. However, although the north-east and Yorkshire and the Humber are to benefit from the measures in question, London is entirely excluded.

As has already been made clear, a number of boroughs and constituencies in London have very high levels of deprivation and unemployment. My borough, the London borough of Redbridge, does not feature as one of the most deprived boroughs overall, but there are wards within it, including three in my constituency, that are in the lowest decile for deprivation and need. Therefore, the impact of any changes that discriminate against Londoners, against small businesses in London and against ethnic minority businesses in London—the population distribution in this country means that London has a much greater concentration of people from all ethnic minorities—has to be borne in mind. These proposals are inherently discriminatory; they are discriminatory in their own terms and they therefore need to be seriously questioned.

The Federation of Small Businesses has sent me some information about this matter. It points out how more than half the firms in London, 64% of small businesses in the south-east and 58% of firms in the east of England are likely to operating under capacity. It states that the regional discrimination involved in these proposals is based on

"a crude assessment as it does not account for areas within these regions that would really benefit from policies that would help bolster employment."

[Mike Gapes]

If the FSB opposes the proposals, why on earth are the Government not listening to it, given that they claim always to be listening to small businesses? As I speak, the Essex FSB is having a meeting, which I am obviously not able to attend, and one of the issues it will discuss is precisely this discrimination against the east of England, the south of England and, in particular, London.

Richard Harrington (Watford) (Con): The point needs to be made that the Minister has explained that a significant extra cost would be involved in making this a national programme. As the Member of Parliament for Watford, an area that faces significant unemployment problems, I would say that it would be very nice to have this programme, but the Minister has explained that the cost involved would be more £660 million. I am pleased to see this principle being used, because I believe that selective regional policy can be used in the future. I hope that the Government's localisation agenda will mean that holidays and similar tax benefits for rates will be extended to specific areas. But for the moment, because of the mess that the Labour Government left us with—

Madam Deputy Speaker: Order. The hon. Gentleman will resume his seat. Interventions are supposed to be brief.

Mike Gapes: I suggest that the hon. Gentleman should perhaps make his own speech, rather than intervene on mine.

The FSB makes clear its concern about not only the regional variation, but the fact that the proposals do not deal with existing firms. My right hon. Friend the Member for Delyn (Mr Hanson) also made that point from the Front Bench. The FSB says that

"surveys have found that 57% of small businesses without employees would like to employ in the future, which could create…800,000 new jobs".

It also points out that many small businesses do not survive for more than two or three years, so by discriminating against existing small businesses that have just been established the proposals are another difficulty for that sector. The FSB claims that, on average, its 213,000 members each employ seven members of staff and that most employ five or fewer. It points out that if they were able to get the support that is being made available only to certain businesses in certain regions, there would be the potential for much greater assistance. Therefore, the essence of the proposals is that if the Government are going down this route, they are doing so in a way that discriminates against certain regions and certain communities in the country, and that discriminates between different businesses.

The essence of the proposal, we are told, is that we are all in this together but, sadly, it is yet another example of where we are not. We are all in it together, but we are not all getting the assistance to deal with the problems that the Government will create when they slash the public sector.

5.50 pm

Anne Marie Morris (Newton Abbot) (Con): I am delighted to have the opportunity to contribute to this debate and I offer my wholehearted support to the Government for this excellent Bill.

On part 1 and the increases in rates, a point that has not been made but that is worthy of comment concerns the timing. Opposition Members had considered the increase when we were at a flaky stage in the recovery of the economy and when there was concern that there might be a double-dip recession. To move the timing from June of this year to April of next year is to be commended and it is absolutely the right and responsible thing to do.

My speech will focus principally on part 2 and the so-called "holiday" for new businesses, a provision that I wholeheartedly support. It is absolutely right that new businesses should be given a helping hand, particularly now. I am fortunate that my constituency of Newton Abbot is in Devon and therefore in the south-west, which means that my new businesses will benefit from these new measures. The Government estimate the benefit across the country at £940 million. That is well worth having and I am delighted to see Opposition Members supporting it. The cost in the grand scheme of things is relatively small and the administration costs of £12 million can be set against the overall administrative costs for this tax, which stand at £1.54 billion. The estimated benefit for individual businesses will be £2,000 per business with a rough administration cost of £166. That strikes me as very good value for money.

I want to take up a point that has been made by a number of Members on both sides of the House. In my view and, clearly, that of others, micro-businesses desperately need help. In the south-west, 91% of businesses employ only five people—small businesses that are a large part of the business community. In my part of the world, issues will arise because of the changes to the public sector, so helping micro-businesses will be very important because it is more likely than not that, because of their sheer number, they will take on those who are made redundant and the NEETs, as we call them—those not in employment, education or training—who clearly need a helping hand.

Chris Leslie (Nottingham East) (Lab/Co-op): Has the hon. Lady realised that the proposed holiday does not apply to existing small businesses?

Anne Marie Morris: I thank the shadow Minister, but that is precisely my point. I would like to ask the Treasury and the Treasury team to extend the provision to those businesses in the fullness of time.

In particular, we should clarify what we mean by a micro-business. The European Union defines it as a business with 10 employees and a turnover of less than £2 million. For my money, that is a very big business. In my part of the world, micro-businesses are really very small. The hon. Member for Dundee East (Stewart Hosie), who is no longer with us, suggested that we might think about a small business of two employees that was considering adding one extra employee. The point was that it is a big step for a sole trader or husband and wife team to take on that extra member of staff, and it is there that we need the help.

I suggest that the Treasury urgently considers extending the provision to micro-businesses, not in this Bill but in a future Budget. I cannot see why micro-businesses should not be covered across the country rather than in regions. My plea is that micro-businesses, which are different to small businesses, should be properly represented

and that we should consider what we in this Parliament mean by a micro-business rather than necessarily taking the European definition. We should also consider what help we can give them.

As for the point made by the hon. Member for Ilford South (Mike Gapes), it is not just about tax assistance, but about regulatory assistance. Some very small businesses are drowning in legislation, much of which is simply not appropriate for them.

Justin Tomlinson (North Swindon) (Con): My hon. Friend is making some excellent points, which, as someone who used to own a small business, I recognise. Micro-businesses also have the opportunity to take on apprentices, and we should encourage small businesses to take advantage of that.

Anne Marie Morris: I thank my hon. Friend for that contribution and I absolutely agree.

I ask the Treasury team and the Minister, after the successful outcome of this measure, urgently to consider extending it in the next Budget to micro-businesses and to introduce a proper definition of a micro-business. I think that they need particular help and support.

5.36 pm

Heidi Alexander (Lewisham East) (Lab): I want to make only a brief speech and, like some other speakers, plan to limit my remarks to part 2 of the Bill, which deals with the national insurance holiday for businesses that start up outside London, the east and the south-east.

A national insurance holiday for some new businesses but not others is misguided. I have two main reasons for believing that. First, there is the basic issue of fairness. Under the Government's proposals, a new business setting up in Leamington Spa, for example, could benefit from savings of up to £50,000 in its first year of operation, but the very same business starting up in my constituency of Lewisham East would get nothing. The businesses might be exactly the same and they might employ exactly the same number of people and have exactly the same turnover and profit margins, but one stands to get a kick-start of thousands of pounds in its first year and the other does not. I cannot help but think that that is blatantly unfair.

New businesses in Lewisham struggle to survive at the best of times: only 59% are still operating after their first three years as opposed to a UK average of 65%. If we add into the mix the state of the economy in Lewisham, we see that the policy seems even more misguided. The claimant count in my constituency has risen by 2% in the last year, whereas in Leamington Spa it has fallen by 25%.

The shadow Minister, my right hon. Friend the Member for Delyn (Mr Hanson), has already spoken about what the policy is meant to do. The stated aim of the payment holiday is to encourage the creation of private sector jobs in regions that rely on public sector employment. Presumably, that is an attempt to do something to offset the huge job losses that the Government are choosing to inflict on councils, police forces and primary care trusts up and down the country. So, one might be forgiven for thinking that the policy would apply to those areas that have the highest proportions of their work force employed in the public sector. One might think that the holiday would apply to the same areas as those that are eligible to bid for the Government's new regional growth fund, but, no, that would be a logical step. Instead, the Government have decided to exclude London from their national insurance holiday and thereby exclude many communities that are highly dependent on public sector jobs—the very communities that are grappling with the uncertainty that the Government's approach to public services has created.

Let us take as an example the area I represent in south-east London. The public sector accounts for 38% of all jobs in Lewisham, a figure that is 11% higher than the national average. If we take the boroughs of Lewisham, Southwark, Lambeth and Croydon together, we realise that the public sector work force amounts to 185,000 people, significantly more than the public sector work force of the whole of Tyne and Wear.

Lewisham also has more people chasing local jobs than almost anywhere else in the country. In October, there were more than 587 vacancies in Lewisham compared with 9,475 jobseeker's allowance claimants. Let me again compare the situation with that in north Warwickshire, where there were 1,507 vacancies in October and 1,018 people looking for work. I accept that the labour market works very differently in London from elsewhere, and I am all for people getting on their bike, the bus or the train to get a job. Indeed, that is what most of my working constituents do every day. However, the fact that Lewisham has more people chasing local jobs than virtually anywhere else in the country says something very important about people's experience when they go to the jobcentre in my constituency. For every job in Lewisham there are 16 people claiming JSA. Every week, without fail, I have someone asking me to help them in their search for work. These are not workshy individuals, but people who desperately want to get a job to provide for their family. The jobs are not there at the moment.

By not providing the same concessions to businesses in Lewisham as to new businesses elsewhere in the country, the Government are effectively limiting the prospects for my constituents who want to find work. Let us not forget that even in London it is necessary to stimulate employment in the sub-regional economy. Public sector jobs are often local to where people live, so mums and dads who face being made redundant by local councils will be keen to find local work that will fit around their caring responsibilities. Why are the Government intent on making it harder for them to find work in new private sector enterprises by excluding London start-ups from the national insurance concession?

Lewisham is part of London but its streets are not paved with gold. This is where the Government have gone wrong. Not all London is like Notting Hill. Yes, London has the City and is home to Canary Wharf, but it also has some of the most desperate examples of poverty in the UK. One in five Londoners earns less than a living wage and in inner London 20% of the population has 60% of the total income. The worst-off of the richest 10% of Londoners have wealth 273 times greater than that held by the best-off of the poorest 10%. The fact that London is home to the country's major financial centres should not mean that my constituents are disadvantaged or that if they want to set up a business, they are treated as second-class entrepreneurs. It should not mean that hundreds of people who are fearful of losing their job in the public sector should have a lesser chance of getting a job in a new business start-up because of where they live.

[Heidi Alexander]

In London, we know that an axe has been taken to the London Development Agency and that councils across the capital have lost local authority business growth incentives scheme money, which many ploughed back into supporting local businesses. We also know that the VAT increase will hit many small businesses very hard. Now, to add injury to insult, the Government want to support new businesses only in other parts of the country. That is not fair, it is misguided and I urge the Government to think again.

6.3 pm

Julian Sturdy (York Outer) (Con): I am delighted to contribute to this important debate. It is essential to assist economic recovery by incentivising entrepreneurship and private sector-led growth and I make no apologies for supporting the coalition Government's focus on encouraging our small and medium-sized businesses, which this Bill does in abundance. The Bill's benefits are threefold. First, it will contribute to the Government's wider economic recovery programme through a small increase in national insurance contributions. Secondly, it will promote and support small businesses and entrepreneurship. Thirdly, it will fulfil the coalition's pledge to raise the threshold of income tax personal allowance.

Like other hon. Members, I shall focus my contribution mainly on the second of those benefits—the so-called national insurance holiday for small businesses. First, however, it might be useful to take stock of the history of NICs. This form of taxation was introduced in 1911 before being expanded in 1940 to help fund the national health service. The scheme has always consisted of benefits financed by contributions from earners, employers and others. NICs have always been flexible and responsive to the wider economic situation and thus linked to the ever-changing needs of society. Given the wider economic outlook and the appalling financial legacy that we have inherited, it is absolutely right that we now consider increasing these rates. However, as a low-tax Conservative, I hope that the actions we take to repair our broken economy today will be replaced with lower taxation policies across the board in future.

Turning to the scheme's main benefits, I am absolutely delighted that the Government have already taken measures to make Britain a more business-friendly country once again. The Bill adds to the welcome return to promoting and encouraging entrepreneurship rather than suffocating businesses with endless regulation and red tape, as sadly occurred too frequently in the previous decade. By raising NICs, we will encourage the creation of private sector jobs in regions that are too reliant on public sector employment by reducing the cost of employing staff in new businesses.

NICs will be abolished for the first 10 jobs created in new start-up enterprises during the first 12 months of the business. As we have heard, the exemption will be available for new businesses within a three-year qualification period. Such measures will save businesses vital cash, thereby encouraging further growth and new employment opportunities, which are vital at this time. Early forecasts suggest that about 400,000 employers will claim the holiday, covering 800,000 employees. The average benefit per business will be about £2,000, as my hon. Friend the Member for Newton Abbot (Anne Marie Morris) has mentioned. The total cost to the Treasury is estimated at about £940 million.

Barry Gardiner: The hon. Gentleman will know that the October 2010 claimant level for JSA in his constituency was 901, but the figure for my constituency was about two and a half times that. Why does he think that his constituency and his benefit claimants should benefit from the holiday period while mine should not?

Julian Sturdy: I think that the hon. Gentleman is talking about the regional aspect of the measures, which is important and has already been raised by some Members. I shall address that issue and if he wants to intervene on me again, I shall be more than happy to take his intervention.

As we appreciate the cost of the scheme to the public purse, it is only right to drill down into the specific details. There are many concerns about the holiday provision not applying to three English regions—Greater London, the south-east region and the eastern region. I accept that this limitation might seem unfair, particularly to those right hon. and hon. Members who represent such areas, but we live in extremely difficult economic times and the woeful financial legacy will limit our ability to extend the holiday relief to every part of the country. That is regrettable, but it is a fair compromise. It is well-known that the gap between the northern and southern economies is widening and has been for the past 13 years, so it is essential that the coalition focus on closing the gap by encouraging new private sector-led growth in the north.

An unhealthy dependence on the public sector has blighted many northern towns and cities for too long. Alongside the creation of local enterprise partnerships and the regional growth fund, it is essential that private enterprise be given a boost in northern cities—such as mine, York, I confess. Economic recovery will take place only if the private sector leads the way. Only private sector expansion in the areas that are most dependent on the public sector will ensure that the recovery leads to sustainable, long-term stability in local economies. Sustainability is key.

I am sure the holiday aspect of the Bill will be welcomed by many small businesses throughout the country. It has already won the backing of the Federation of Small Businesses. I know that Opposition Members say that that is not the case, but I believe it is, although the federation raises concerns about the length of the relief and the number of firms to which it will extend. Although my support for the Bill remains unequivocal, I must confess that I share some of those concerns, while understanding the financial constraints placed on the Government.

I fear that we might be slightly short-sighted in limiting access to expansion to new firms alone, and in allowing new firms to claim it only during the first year of their business operations. I admire the way in which the coalition has governed thus far with a long-term prospect. I ask the Front-Bench team to review through the same visionary lens the time scales and business exemptions from the contributions holiday over the course of the next year or when the financial position allows. My hon. Friend the Member for Newton Abbot raised that point, referring to micro-businesses, and I agree wholeheartedly with her comments.

In conclusion, I strongly believe that the Bill sends out exactly the right message from the Government to budding entrepreneurships. This is positive Government-led action that our small and medium-sized businesses will welcome. More broadly, this action must be supplemented by Britain's banks. Put bluntly, too few small and medium-sized businesses are receiving flexible finance. Members in all parts of the House should unite in urging the banks to free up vital cash flow. The new emphasis on bank lending, alongside the measures contained in the Bill, will ensure that our private entrepreneurs receive practical assistance in a true time of need.

The Bill will play a vital role in our economic recovery and future growth, and I will strongly support it.

6.11 pm

Barry Gardiner (Brent North) (Lab): The Exchequer Secretary commended the first part of the Bill by saying that it was fair, that it was progressive and that it supported the poorest in society. In so commending the first part of the Bill, he damned the second part, because he could not say that the second part of the Bill was fair, progressive and supported the poorest in society. That is the essence of the Opposition's argument this evening.

The second part of the Bill is incoherent in principle and in practice and, worse than that, it is ineffective in practice. Let us look at the fundamentals. Who is it that leads us out of recession? I am happy to make common cause with Members on the Government Benches and say that it will be the private sector, in particular small and medium-sized enterprises, that will lead us into the growth that this country badly needs. Why is it, then, that the holiday provision is given precisely in those areas where private sector growth has been proven year after year not to take place?

We know, and it has been a cause of problems to us, that it has been in London and the south-east that small businesses set up and grow. That has been the engine of the private sector in our economy, yet instead of seeking to use that to advantage, the second part of the Bill is incoherent in principle because it denies that region the holiday and because it denies those potential businesses the benefits that will be made available in parts of the country that have been proven not to be able to utilise them, and therefore not to be able to bring us out of the recession and be the engine of growth that we all want.

The hon. Member for Sevenoaks (Michael Fallon) made the point that to extend the holiday to London and the south-east would cost £660 million. Of course, there will be a cost to the scheme, wherever it is put in place, but presumably that cost is seen as an investment to achieve the growth and dynamism in the economy that will return that investment multiplied to the Exchequer. Yet £660 million is not being invested in the very parts of our country where we know from experience that the private sector is most likely to give the maximum returns to the public purse. That is incoherent.

Now let us look at whether the measure is incoherent in practice. The Budget documentation quoted in the explanatory notes to the Bill states:

"The Government's strategy to support private sector enterprise in all parts of the UK aims…to encourage the creation of private sector jobs in regions reliant on public sector employment, through reducing the cost to new business of employing staff".

Yet we have heard this evening that that is not the case. There are parts of London and the south-east that are far more reliant on public sector employment than parts of the country that will receive the benefit from the holiday. That is incoherent and wrong.

My hon. Friend the Member for Lewisham East (Heidi Alexander) made the pertinent point that the Bill was unfair in another respect, and one can only marvel at that unfairness coming from the Conservatives. The unfairness is that the Bill is anti-competitive. My hon. Friend presented the straightforward example of two companies alike in all that they do, except that one will get a £50,000 benefit in its first year of operation which is not available to the other—and that from the party which believes in free markets and in abolishing anti-competitive practices? How can those on the Treasury Bench put that forward as a coherent philosophy?

Mel Stride: Does the hon. Gentleman accept that the purpose of the holiday, as we are calling it, is to try to compensate for a reduction in the size of the public sector in certain parts of the country, rather than targeting it specifically, as he and other Opposition Members seem to be suggesting, at areas of higher unemployment?

Barry Gardiner: The hon. Gentleman suggests that what the Government are seeking to do is compensate in some way for the decimation that they believe they will cause to employment in those areas. We share a belief that the Government's cuts will have that decimating effect on employment in those areas. Where we differ is that the hon. Gentleman believes that the measures will in some way compensate for that, whereas I am pointing out that in other parts of the country, precisely in those areas where they are not to apply, they would have a greater effect in boosting the economy.

The hon. Gentleman may say that the measures will have a marginal effect in mitigating the increases in unemployment which he knows will come from his Government's policies. I do not believe, and I am confident that he does not believe, that they will totally compensate for those. But the most important thing is to get our economy moving again; after all, that is why we are making those public sector cuts in the first place. If we are focused on economic regeneration, we must seek to make that investment where we know it will achieve the maximum return.

Justine Greening: Can I get this clear? Is the hon. Gentleman saying that Government should not try to help regions that need infrastructure improvement and are currently less productive? Should we simply not invest in them?

Barry Gardiner: I try to keep debate in this Chamber at a rational and reasonable level. I try not to play silly party politics or create a straw man simply so that I can knock it down. If the hon. Lady wishes to play those games, let her intervene on somebody else. It is really puerile to start talking in those terms; she knows that that is absolutely not my purpose at all.

The hon. Lady should consider her policies—not only these, but those that relate to VAT—and the effects that the Chartered Institute of Personnel and Development has said they will have. John Philpott, the chief economic adviser to the CIPD, said just a few days ago that:

"we are looking at something like 900,000 job cuts in the private sector as a result of both spending cuts and the VAT hike."

[Barry Gardiner]

That will be the effect of the hon. Lady's policies. Of course I want that effect to be mitigated as far as possible, and for her to intervene on me in that ridiculous way, asking whether I am suggesting we should not try to mitigate the effect of her own policies—the loss of 900,000 jobs—is ludicrous.

In contrast to the hon. Lady, the hon. Member for York Outer (Julian Sturdy) was extremely reasoned in responding to my intervention on him. He accepted that there was unfairness in the Bill and that that unfairness was "regrettable". My point is that although it is regrettable, it is not inevitable. We *do not have to* cut the cake or make the investments in this way.

In a rather partisan speech, the hon. Member for Sevenoaks (Michael Fallon) derided my right hon. Friend the Member for Delyn (Mr Hanson). He said that my right hon. Friend was suggesting that the Government were not going far enough. It is not a matter of not going far enough with the holiday; it is a matter of the Government's being fair, equitable and effective. The Government cannot and should not take these decisions in an arbitrary fashion; they should take them on the basis of equity and effectiveness. The Bill does not enable that.

6.24 pm

Mel Stride (Central Devon) (Con): The hon. Member for Brent North (Barry Gardiner) referred to the regrettable consequences of Government policy in terms of unemployment. I believe that, in large part, the entire Bill is regrettable because it introduces rises in national insurance for employers and employees, on businesses, at a time when we look to them for growth, as the hon. Gentleman rightly points out. But the reason for that is the policies pursued by the previous Government. Because of the hour, I do not intend to rehearse those this evening, save to point out that we have ended up in a situation where the interest alone on the money that we owe is £43 billion a year—more than we spend on education and defence. That is a national disgrace.

I welcomed my right hon. Friend the Chancellor's Budget of 22 June, particularly the balance that he struck between seeking reductions in expenditure and accepting that we have to raise certain taxes. He weighted it far more towards the former than the latter, which has to be the right policy. The hon. Member for Brent North is right: the Office for Budget Responsibility itself has said that 500,000 jobs will be shed as a consequence of the fiscal consolidation in the public sector, and PricewaterhouseCoopers has suggested that perhaps another half a million private sector jobs will go as a consequence of that. We need to create jobs in the private sector.

According to the Treasury, in the past six months 300,000 jobs have been created in the private sector, so the capacity is there. It was as inevitable as it was regrettable that national insurance would go up. Labour first started talking about increases in national insurance as far back as the latter part of 2008. Of the three major taxation streams going into the Treasury, national insurance is the second most significant. In fact, in 2009-10 £150 billion was raised from income tax, £96 billion from national insurance and £70 billion from VAT. National insurance is efficient to collect, and in 2011-12 we will raise £9 billion as a consequence of the increases. In my opinion and that of many economists, the rise was totally unavoidable.

I wholly welcome one aspect of the Bill—well, not so much the Bill but the secondary legislation that will be enacted later—and that is the increase in the threshold for employers' national insurance to £21 per week above indexation. I welcome that because it will take some of the pressure off our employers.

National insurance, however, is not a good tax; as we know, it punishes those who employ people rather than taxing the earnings from straightforward investment, which does not employ people. I urge the Government's Front Benchers to make sure that, when the recovery gathers pace and we start to get the deficit down, national insurance for employers and employees should be right at the top of the list of taxes that we seek to reduce.

I welcome the national insurance holiday, about which much has been said in this debate, and particularly its targeting of new businesses. It should reach about 400,000 new businesses and about 800,000 new employees. I say that as somebody who set up his own small business, starting from scratch 20-odd years ago, and built a company both here and in the United States. One of the most important and fragile moments of a company's growth is that very starting point; that is when a company is most vulnerable. The help will be hugely welcome.

To my horror, I have found myself being slightly persuaded by the right hon. Member for Delyn (Mr Hanson), as he started to open up the discussion about whether the holiday should apply across the entire country or whether, as I think he was suggesting, it might be applied in a different way, to pick up areas in the south-east, Greater London or the eastern region that might value the help more than other parts of the country. I would like to think that Government Front Benchers might think about that aspect a little further, although I suspect that when we start to try to cherry-pick small parts of the country, we will end up with a highly complex and potentially very expensive scheme. However, I would like to think that we might consider the matter in Committee.

I also welcome the fact that this is retrospective legislation that applies to companies set up since the emergency Budget in June, and that it is not prescriptive in the sense of requiring a certain type of employment in order for companies to qualify. There was a scheme in the 1990s to get the long-term unemployed back into work that was not nearly as successful as it might have been had it not been so prescriptive.

I am pleased that the Government, in recognising the importance of business, also set out in the Budget reductions in corporation tax in steps from 28% down to 24% over the period of the comprehensive spending review, with the small business rate falling to 20%. That will give us one of the lowest levels of corporation tax in the G20, and the fifth lowest in the G7.

I have some concerns about the national insurance holiday. We must ensure that we avoid so-called recycling whereby, for example, companies set themselves up as apparently a new business although they have been operating before, or come into the market as a new business and then close down and rebrand themselves. I note that clause 5 deals with that issue. My plea is that we do not make the whole operation unduly onerous

and complicated for businesses that wish to take advantage of the scheme. My hon. Friend the Member for Chichester (Mr Tyrie) spoke in particular about the importance of keeping complexity down. The tax code in this country now runs to 11,000 pages. We have enough complexity—we do not need more.

The Bill also deals with EU regional funding constraints. Under articles 107 and 108 of the treaty on the functioning of the EU, companies are not permitted to receive more than €200,000 in state aid over a three-year period, given the regionality of the way the scheme works. Clause 8 seeks to handle that. Again, it is imperative that whatever information HMRC requires from those companies is kept to the minimum so that the system is not bogged down in red tape.

Chris Leslie: Has the hon. Gentleman had an opportunity to look at the regulatory impact assessment describing the steps necessary to implement the NI holiday, which is estimated on the Treasury's own figures to cost £22 million? A lot of companies will have to use manual processes instead of the software that they had used to pay their national insurance, and it will require 240 extra staff at HMRC to administer the scheme.

Mel Stride: The hon. Gentleman adds to my point. Indeed, I believe that the cost to HMRC will be £12 million, and the cost imposed on business is estimated at £75 million. I accept that that is a large amount of money in the context of a scheme that is effectively injecting £940 million. It is therefore most important that we keep complexity and red tape to an absolute minimum.

It is important to ensure that this incentive is well advertised, given that it is permissive in allowing companies to apply for it but is not necessarily automatically granted. The HMRC material refers to advertising it on Business Link websites, and so on. If we are to get up to 400,000 businesses involved—1,000 are involved at the moment—we will have to advertise this nationally with a push to ensure that it is taken up. In particular, we need to ensure that we lower the proportion of so-called dead-weight businesses that are taking it up—in other words, those that would have employed additional people even in the absence of the scheme. It is really important that we give this a wholehearted push.

I welcome the national insurance holiday provisions in the Bill. I agree with my hon. Friend the Member for York Outer (Julian Sturdy) that it is important to consider other aspects such as encouraging lending and getting the Bank of England issuing credit condition surveys in which it talks about the banks lending again. We also need to cut back on red tape. This is a big opportunity to get back to a culture that is positive about new business. I should like us to have the kind of culture that we had in the 1980s, when we were open for business and companies were being set up. That is when I went out there and set up my business and created wealth and employment for people. That is the aspect of the Bill that I wholeheartedly welcome.

6.34 pm

Jim Shannon (Strangford) (DUP): I have always been a very practical person. I ran my own successful business for some 25 years before handing the work over to my son. I am the first to acknowledge that in order to spend money one must have money coming in as well, because if one does not have that, one does not have a business. I live in the real world in the area that I represent, with unemployment and bills, and with families struggling and businesses barely surviving. I fully grasp the very tenuous financial position that we find ourselves in as we try to claw our way out of the deficit. I accept that Government, the coalition, and all of us together have to be involved in that and make a contribution towards it.

I welcome the range of packages that the coalition has brought forward through the Bill, which will directly help the lower paid. That is positive, and I am glad to see it. The national insurance contribution holiday is also a positive move. However, I feel that I have to comment on behalf of people who may not always see the benefit of these measures—those to whom I have spoken over the past week in anticipation of this debate, who have concerns and have asked me to convey them in the House tonight. I understand that this further tax hike is a blow to some of the people I represent—the middle classes and the self-employed. They see it as such, and I have to say so. The rise in national insurance for employers and employees will dissuade some employers from offering additional hours.

A perhaps forgotten and ignored issue is the impact on the morale of people in such businesses who do not see the benefit in the proposals before us. There is no better way of illustrating a case than taking an example from my own constituency. Just in the past few days, I had the opportunity to speak to a young married couple who have two children. They are both working. They are not entitled to housing benefit, so some years ago they bought their own house, and they have a fairly large mortgage. For them, the cost of living has increased dramatically. The husband is self-employed, and he cannot raise his prices in line with the prices coming in, because then he would not have any business. Indirect taxation has risen, and risen again. His business has suffered because people simply do not have the money to decorate their homes, which is what he does. The wife received a rise, with the additional pressure and workload that came with it, yet they find that being on the borderline of the new tax threshold means that they are scarcely better off. They are just on the wrong side of that tax threshold. The frustration they expressed to me demonstrated the sobering reality of how some people see the future of their business.

Mr Gregory Campbell (East Londonderry) (DUP): People such as my hon. Friend's constituents are looking forward to the increase in personal allowances to which the Government are now committed, which is a good thing. However, given the increase in national insurance contributions, the anomaly is that such people will find it even more difficult to move out of recession.

Jim Shannon: I thank my hon. Friend for his comments, which are very positive. I think that if everyone sat down for a moment and looked at their own constituency, we could all replicate this situation everywhere across the whole United Kingdom.

The couple who came to see me did not have any help when their boiler broke, their car broke down, or the heating bills came in: they had to manage all that themselves. That puts things into perspective. They did not ask for a handout, or believe that they were entitled to one. They simply asked me whether I could do

[Jim Shannon]

something, as the Member for Strangford, to represent their viewpoint in this Chamber, and that is what I intend to do. This is an example of the low morale of a hard-working family who feel that they are swimming against the current. I would always caution that we should ensure at all times that people feel that it is better to work, and these people have that work ethic, which is good news.

I know that Government Members will say that this is "only" a 1% increase in national insurance contributions, and that is true. Let us remember, though, that it is to be coupled with an increase in university fees. It must also be coupled with an increase in tax on oil, which results in higher petrol and diesel costs across the whole United Kingdom, particularly in Northern Ireland. We have the highest price for diesel and petrol in the whole UK, and the VAT increase in January will add to the price hikes and the pressure on families.

As a balanced individual who can see the good element in the Bill, I point out that the fact that new businesses will get help with their first 10 employees' contributions is good news. However, I have to ask: what about the small and medium-sized businesses that are currently struggling, such as the one run by the couple I mentioned? To them, a £2,000 bonus would be the incentive to keep pouring their energy into their business. Many other businesses in my area would love to have that opportunity as well. I ask the Economic Secretary whether there is any scope for businesses that have opened in the past few years to avail themselves of help that could save businesses and jobs, and subsequently ensure that their revenue continues to go into the contributions pot.

The hon. Member for Newton Abbot (Anne Marie Morris) hit upon an issue that other Members have also mentioned, and I agree with her comments. I believe that small and medium-sized businesses need help. I do not believe that that can be done through the Bill, but I would like them to receive some contribution and help as a next stage. Perhaps the Economic Secretary will indicate whether and how that can be done, and on what time scale. It is imperative that we in this House have a full grasp of what is intended in the next period, so that we can go back to our constituents and let them know.

It is not in my nature to oppose anything simply for the sake of it. That is not how I work. However, I honestly believe that many people are on the brink, and I have to say so. Consideration must be given to small and medium-sized businesses and those with a small number of workers. I know that money has to be raised and that someone has to provide it. That is the purpose of the debate. What I do not know is why it has to be the same people who provide it all the time. That is what has happened. The self-employed, the middle class, and small and medium-sized enterprises that exist today must all be part of the equation. On behalf of the people of Northern Ireland, and of my constituency in particular, I ask the Economic Secretary to consider those matters fully.

6.42 pm

Stephen Pound (Ealing North) (Lab): A common theme running through the debate—almost the golden thread of it—has been that of not seeking to oppose for the sake of opposition. Of course, I entirely subscribe to that emotion. However, although I rejoice in seeing a sinner repentant, and the Conservative party being converted once more to the policy of Keynesian fiscal incentives, I feel that the Bill is in many ways a disincentive and, even more seriously, a crude, clumsy and extremely complicated one.

Much has been made of geography and the fact that large parts of the country are excluded from the glorious sunshine of this Bill's benefits, which will cause flowers to bloom and businesses to leap, as from the brow of Jove, into the marketplace fully formed. The excluded areas are not just the leafy shires where the only concern is getting one's second au pair, or third Range Rover. They are also places such as Milton Keynes, Medway—Medway!—Portsmouth, Reading, Slough, Southampton, Luton, Peterborough and Thurrock. It is true that the Bill also excludes parts of the south-west London-Surrey border where people are so wealthy that they can afford the luxury of electing Liberal Democrats, but in excluding such a large area the Government are assuming that within the eastern region, the home counties and London there exists a seething tide of entrepreneurial energy, ready to burst forth at any minute, that needs no assistance.

The hon. Member for York Outer (Julian Sturdy) said that there was a message coming from the House tonight. Well, the message is, "London, the home counties, East Anglia: get lost. You can manage on your own, you don't need any help." That is desperately crude. In times of tight margins, small incentives make a huge difference. The geography of this country is so tight and small that whereas Hampshire is excluded from the benefits of the Bill, Dorset and Wiltshire are not. One does not have to read one's Blackmore to know that the boundaries and borders in those areas are very close and tight. Is the coalition Government's aim to empty out as much of London, the home counties and East Anglia as possible and send everybody flooding to Somerset, Wiltshire and Dorset?

Jacob Rees-Mogg: Hear, hear!

Stephen Pound: We have had some very successful imports from there in the House, particularly from North East Somerset. None the less, I am not entirely convinced that it should be the policy of Her Majesty's Government of the United Kingdom to act in that crude way.

Talking of crudeness, advancing the idea that we can somehow assume that people will not move into a low-tax zone, like one of those Chinese economic zones, is simply not being serious about the realities of modern business. There are no Liberal Democrats in the House tonight—a happenstance that will doubtless be replicated on a longer-term basis after 2015. One thing that they tried, in one of their strange, clouded pipe dreams during the election campaign, was the suggestion that we could have geographically specific immigration—presumably with border posts on the M1, so that certain parts of the country could benefit from immigration while other parts could not. A quick glance at the map of this country shows that that simply is not possible. We will immediately have the difficulty of disincentivisation occurring in the south-east, while the benefits are transferred to the rest of the country.

The Bill is also ferociously complicated. Everybody thinks they know what a new business is, but nobody can define it. We heard in an intervention by the hon. Member for Newton Abbot (Anne Marie Morris) that apprentices are not covered.

I turn, as ever I do, to the explanatory notes, which have been written in the most extraordinary way. We read about Roy the carpenter; Sam the noble publican wishing to hand his business on to Tom; and Rosie and Jim the plumbers—none of whom is included in the Bill's provisions. We read of an extraordinary ménage in what I had previously thought was the rather dull world of accountancy, in which Alan, Ben, Charles and David decide to link up with Ellen and Frances. In doing so, they also bring in a mutual friend, George. That is experience beyond that of most Members.

My particular favourite example is almost a Mills and Boon novel: John and Paul the dentists, who have been partners for many years but fall out. One imagines John and Paul, their eyes meeting over the face masks as they attend to a cavity together, their latex-covered digits brushing against each other. Then, one day, they fall out and set up alternative dental practices. John and Paul, once so close, are close no more. The explanatory notes should be published by Mills and Boon, not by the House of Commons.

After all those examples, what do we find? We find that the complicated reality of new businesses is such that the coda to that great, glorious, rather romantic tale is, to quote paragraph 46:

"The intended effect of this provision is that a person will be prevented from enjoying a holiday if, before beginning to carry on a business, the person enters into arrangements that mean that at some point after the person's business has started he may undertake activities carried on by another business and, had the person been undertaking those activities at the time the business was started, a holiday would not have been allowed."

That is reductio ad absurdum. How can we possibly even begin to take seriously a Bill that, leaving aside the romantic dentists and Rosie and Jim the entrepreneurial plumbers, creates such an incredibly complicated mechanism? That is not what we should be doing.

The Economic Secretary, as ever, cuts to the heart of the matter. I have great admiration for her. She is no stranger to the streets of Acton, where first we met. She had a reputation then for striking through all the persiflage that normally infests this place like wisteria—if that is not a painful subject for the Conservatives. She asked earlier, "Would it be better for this holiday to be extended across the whole country, or is it better for it to go to two thirds of the country?" I have to say that it should be all or nothing. The minute we try to set up those complicated differentials, there are immense problems. Why could the measure not be applied sectorally? Why could we not choose a particular sector and incentivise it? I am talking about those that employ large numbers and have a proven track record of entrepreneurial success. Why could we not continue with the enlightened work of the previous Labour Administration and provide start-up support for capital equipment and allow deferred VAT payments?

There are so many things that we could have done. What we have before us is probably—I say probably—rooted in decency and good, honest Keynesian politics. However, it has become so complicated that I fear that there will be very few businesses leaping to life in Liverpool, Manchester, Rotherham or wherever. There are some entrepreneurs in London who may say, "Without that additional advantage, why not relocate not only outside London but outside the UK?"

The hon. Member for Central Devon (Mel Stride) said that he was as comfortable operating a company in this country as he was in the United States. People will look at this measure in the context of a global economy. What we have here is crude, complicated and unfocused. I am not entirely sure that it will be the agency that will kill unemployment and bring us all into some glorious new future. I appreciate that hundreds of new civil servants will be employed to make this system work, and I welcome that; we need more work. How tragic is it that this Bill—the Bill to encourage the private sector outside the home counties—will end up employing more civil servants in London and, almost certainly, not providing that great entrepreneurial spark in the rest of the nation?

6.52 pm

Gavin Shuker (Luton South) (Lab/Co-op): As a new Member of this House, I am learning an awful lot of lessons, including the one that says never attempt to follow my hon. Friend the Member for Ealing North (Stephen Pound) at the end of a long debate, so I will keep my remarks characteristically short.

Like many Members, I was surprised to find myself as one of the MPs for the greater south-east—a new region of which we are all delighted to be a part, particularly those of us in the east of England. Joking aside, this Bill will have a serious impact on my constituents in Luton South. Luton is my home town; it is a jewel in the east of England and businesses like it.

A 2010 survey showed that access to a strategic road network, rail networks and Luton airport and its proximity to London are all great for business. None the less, we have problems, too. Even as a jewel in the east, we suffer from unemployment. Jobseekers' allowance claimants form 7.5% of the population—it has risen over the past couple of years—compared with an average of 4% in the wider east. Median earnings are £350 a week in Luton compared with £410 a week in the rest of the east.

The east is a vastly disparate area. I am reminded of that when it takes me two and a half hours to drive to Norwich and two hours to Cardiff. It is a vast area as well, but it gets the same blanket national insurance conditions under this Bill, which is surely unfair.

Being at the margins of the east is also a problem. Those same road and rail networks that make Luton an attractive place for business can help its creative work force to leave—and to receive a £50,000 golden hello for setting up a business elsewhere. If the purpose is to encourage jobs in the non-excluded areas rather than in the greater south-east, then areas at the margins will be disproportionately affected. For places such as Luton it is a double whammy because there will be public-sector job losses over the coming years and a less competitive environment in which to establish a new business. Indeed, it is a triple whammy because Luton's great road and rail networks will encourage people to move 15 or 20 minutes away to establish their business, and the area will lose valuable new jobs at a time of rising public sector unemployment. That is why I sponsored early-day motion 537, which said:

"That this House notes that the Government's decision to introduce a Class 1 Employer National Insurance exemption for new businesses in regions other than the East, South East and

[Gavin Shuker]

London will have a negative effect on growth in those areas collectively termed the Greater South East; further notes that in areas which border, or have good rail and road links with non-Greater South Eastern town and cities, the strategy positively encourages entrepreneurs to start new businesses away from their own communities, breaking community ties and vastly increasing unemployment; and further notes that the same strategy fails to recognise the vast disparity within the Greater South East region, where some towns and cities experience levels of unemployment and deprivation that are equal to or worse than the parts of the country that will benefit from this scheme."

The disparity within regions is the key point. Luton's businesses will be hit hard as will others across the south-east. Potential new businesses will be affected. Some 82% of Luton's businesses employ fewer than 10 members of staff, which are exactly the sort of operations that this policy is meant to help in other parts of the country. Again, more than four-fifths of local businesses do not have sites elsewhere in Luton. These are Luton-based businesses run by Luton people, and they will be hit before they even have the chance to get started.

The Government argue that anything other than the binary distinction between south-east and the "other" would be too difficult a distinction for the boffins at the Treasury to work out. In response to the hon. Member for Gosport (Caroline Dinenage), the Exchequer Secretary said that the measure

"is targeted on countries and regions within the UK where reliance on public sector employment is at its highest. For practical reasons the Government have no plans to introduce national insurance contribution exemptions for smaller geographical units."—[*Official Report*, 10 November 2010; Vol. 518, c. 359W.]

I hope that in Committee, the Government will be open to considering different models or different, more graduated distributions of the national insurance holiday schemes. Changing the ratio is the stated ambition of the Bill. The data for it exist for local authority areas, which are explicitly listed by name in the Bill. Will the Government choose to look at that as an option for applying the changes? My constituents in the Luton local authority would be extremely grateful if they did so.

In summary, the Government have chosen to favour some people, some businesses and some communities over others. Although I understand that there are pros and cons to such an approach, to apply that choice as a blanket holiday over vast swathes of the country, meaning a £50,000 golden hello for some businesses just 15 or 20 minutes away from the borders of my constituency, will have a negative effect on Luton South. Such an approach does not fulfil the other part of the Government's stated bargain, which is that if a business loses out by having higher national insurance rates on new start-ups, that will be offset by living in an area that is already doing better when it comes to higher public sector employment. As we heard from my hon. Friend the Member for Luton North (Kelvin Hopkins), his constituency is in the top 10 seats for public sector employment rates, so his constituents will be affected.

In short, if the Government scheme is to favour some areas over others, and it does not work, it will be a waste of money and parliamentary time. If it does work, it will hit my constituents hard and unfairly—judged by the Government's own criteria. A reasoned amendment will not be moved tonight, and Opposition Members will not oppose the business as it goes forward. We accept that responsible national insurance increases will be required to address the deficit. None the less, I hope that the Government will have the courage to look at the distribution of this holiday so that the hard-pressed and creative people of Luton are not the victims of a Tory triple whammy.

6.59 pm

Chris Leslie (Nottingham East) (Lab/Co-op): I congratulate my hon. Friend the Member for Luton South (Gavin Shuker) on his comments. In a nutshell, he has summed up many of the problems and inconsistencies in the Bill. It seems that it has something of a split personality, which has been caused by the Government trying to face in two different directions simultaneously. At the election, many people thought that the Conservatives were promising to reverse entirely the national insurance rise. We consistently heard from the Prime Minister and the Chancellor on that issue. Unfortunately, the public did not see the small print that existed at the time.

The Government are merely chipping away at those national insurance changes, and only for employers. That may not actually be a broken promise, but they have rowed back from the impression that they gave to the public. They let everyone think that they were against the change to national insurance, but they never actually intended to reverse it. It is fascinating to see them attempt to cover up that particular shortcoming with the partial increase in the employer national insurance threshold coupled with what most hon. Members, including most Government Members, have described as a complex and insubstantial national insurance tweak that applies to some entrepreneurs in some parts of the country, welcome though it will be to many of them. Political acrobatics have resulted in a contorted Bill, as my hon. Friend the Member for Brent North (Barry Gardiner) argued when highlighting the incoherence of the Bill.

It is true that the previous Labour Administration were prepared to take tough decisions on tax and national insurance, because the banking bail-out required us to raise funds to compensate. The hallmark of political parties is the choices that they make on taxation and expenditure. This Government have chosen to cut severely investment in public services and to raise VAT to 20%. A Labour Government would have chosen a steadier and more sustainable approach to deficit reduction, but national insurance changes would have been part of that.

We chose the national insurance route rather than the VAT route for very good reasons. Slightly contrary to the point made by the hon. Member for Newton Abbot (Anne Marie Morris), the national insurance changes were not going to be made in June; they were always going to come in from next April, by which time we had hoped that the recovery would be well under way. Unfortunately, the Conservatives and Liberal Democrats have chosen to go for the VAT increase. That will hit slightly earlier, albeit by only a few months, but the economy will feel it like a punch in the stomach. Their VAT jobs tax could have a greater impact on employment, which it will hit significantly, than the national insurance changes. The CIPD, to which many hon. Members referred, predicts that around 250,000 private sector jobs will be affected, and possibly lost, by the VAT increase, which is just around the corner.

Barry Gardiner: Will my hon. Friend none the less acknowledge that the hon. Member for Newton Abbot (Anne Marie Morris) made a pertinent suggestion? She identified the phase of business development that could give maximum benefit to the Treasury—when very small businesses are growing into small to medium-sized businesses, rather than when businesses are growing from zero to micro.

Chris Leslie: Perhaps I got the wrong end of the stick from the hon. Member for Newton Abbot when she made that pertinent point about micro-businesses. The Bill perhaps does not capture the benefit to the economy that small businesses have in that phase of their development. I hope that she will be a member of the Public Bill Committee that considers the Bill, although interestingly, as has been pointed out, perhaps some of the questioning from Government Members might prevent them—mysteriously—from being selected for membership of that Committee. We shall see.

The Prime Minister said before the general election that VAT is

"very regressive, it hits the poorest the hardest, it does, I absolutely promise you".

The Government have chosen a path that will hit employment, jobs and businesses very hard indeed. That should be borne in mind when we consider the Bill. It is odd that this Bill is separate from either of the Finance Bills. I have not quite figured out the Government's tactics, and perhaps they had not quite worked out what they were going to do. In that wider context, it is necessary to compare their choices in VAT against the national insurance changes.

Hon. Members mostly spoke about part 2 of the Bill, which includes the concept of a national insurance holiday. Such a holiday is, of course, superficially attractive, but there are reasons to be concerned about the poor design of the measure, which applies only to new businesses and not to existing firms. That is important. Many businesses could be under the misapprehension that they will qualify, and a lot of effort and time will go into contacting Business Link and the Treasury to find out whether the measure applies to them, and many will be disappointed.

The proposal is complex because of the limited time and extent of the scheme. It applies only to a small number of employees and there is a convoluted application process. Government Members pointed out that efforts need to made to ensure that the measure is as simple as possible. The Bill will require HMRC to take on 240 extra staff—I am not sure that they will be additional staff, especially given that HMRC is cutting numbers—and we will press the Minister on that extra complement in Committee. Businesses could apply for the national insurance holiday but not get it because they have to swim for hours through treacle to get someone in the Treasury to pick up the phone. That could be a significant problem.

The Minister gave a vague figure when asked how many people had applied since the scheme started in September. Very few people are aware that the scheme exists, and it has hardly been advertised—*[Interruption.]* I am glad that Liberal Democrat Members have joined us in the Chamber, even if they are just passing through, because they have been conspicuous by their absence. Perhaps that is related to their embarrassment over the VAT comparator.

My hon. Friend the Member for Ilford South (Mike Gapes), who highlighted the discriminatory nature of the national insurance holiday proposal—it affects some parts of the country but not others—and my hon. Friends the Members for Lewisham East (Heidi Alexander) and for Ealing North (Stephen Pound) pointed out the unfairness of a crude system that will exclude the east of England, London and the greater south-east, as my hon. Friend the Member for Luton South called it. That will cause significant disquiet, and many new entrepreneurs in those parts of the country will complain. Legitimately, they will not understand why they are excluded while reasonably affluent areas of the country outside the greater south-east—Chester, Worcester, Harrogate, York Outer, Tatton and Richmond, to name areas at random—will be eligible for the benefits. My hon. Friend put things perfectly when he said that the boffins at the Treasury ought to be capable of understanding the distinction between the greater south-east and other parts of the country. Of course they are capable of that, and we will seek to make amendments to deal with that problem in Committee.

Unfortunately, this small and partial measure—a national insurance holiday for some businesses in some parts of the country—reveals first of all the Government's complete failure to develop a regional growth strategy, especially for the English regions. They have taken the knife not only to regional development agencies, but more importantly to the budgets at their disposal to help to build SMEs and provide the infrastructure necessary for businesses to survive. We know that for every £1 spent through the auspices of RDAs, £4.50 of benefits accrued to the regional economies. The Government disregarded evidence from the National Audit Office. They have damaged the prospects for growth in our economy, but particularly in those parts of it that have not benefited from the historic engine of growth that has surrounded London and the south-east. The Government's alternative—these local enterprise partnerships, which are unfunded, and only partially covering the country—is a poor substitute for a proper regional economic strategy. Nearly 21 million people and 780,000 businesses will not be covered by the LEPs, the Business Secretary has described them as "chaotic", and Richard Lambert of the CBI has called the process a "bit of a shambles".

That sums up the Government's lack of a growth strategy. We know that they have pulled the rug from under the growth White Paper that was meant to be forthcoming. They did that because they have no clear idea of how to drive growth: they are fixated on austerity alone and have no solutions for the long-term course of our economy. That is a great pity. The regional growth fund has been hacked down to a pathetic size, with few opportunities for small and medium-sized enterprises to apply for support under it. In many ways, therefore, small firms have been cast to one side, with perhaps a few crumbs from the table made available for them as a result of this Marie-Antoinette strategy of the Ministers—"Let them eat cake" seems to be the approach they are willing to take.

The hon. Member for York Outer (Julian Sturdy) rightly pointed out that the Government should be trying to make the banks lend more and give more support to SMEs, making inroads into that desert of loan and credit available to them. We know from the Chancellor's statement at Treasury questions last week and from Ministers' comments that they have gone soft

[Chris Leslie]

on the barks in a number of ways, particularly on the coalition commitment to restart net lending targets for the banks in which they have a shareholding. They have decided now to row back from their commitment to institute those net lending targets, and I urge hon. Members, particularly Government Members, to ask serious questions of Ministers about why they are not prepared to ensure that the banks play their full part in repairing the economy.

I would not like to think that we cannot trust the Chancellor to fulfil some of the pledges to lessen the impact of these national insurance increases. As we know, the Government have already reneged on the commitment on employee national insurance changes, even though the press reported before the election that the Conservative party would do so. It is true that in many ways the personal allowance changes deal with some of these elements, but only in part—there was a commitment on national insurance as well, but it folded and absorbed it into that change. Again, it raised people's hopes before the general election, but has not fulfilled them.

In particular, the Government are not fully offsetting these changes for employers, which will be a surprise to many people. Before the election, the Conservative party gave the impression that it was fully against the 1% increase and that it would repeal it entirely. *[Interruption.]* Ministers seem to think that they were going to repeal it entirely. As I see the measures, the impression they gave—*[Interruption.]* There was small print, it is true, but that was not the impression given. The £4.5 billion change is offset by the £3.1 billion increase in the threshold for employers on national insurance, so there is a deficit of £1.4 billion in the compensation that the Government will not be giving to employers. This is a question not necessarily of a broken promise, but of an impression that many people had that the Government were going to end the jobs tax, as the Prime Minister and Chancellor characterised it. As ever with this Government, however, when we look at the small print, we see that those changes will not be forthcoming.

We have not seen the secondary legislation yet. I would like to know when the Minister will introduce it. Presumably on Monday—traditionally the time of what was the pre-Budget report—we will hear from the Chancellor about the threshold changes and the indexation elements of these changes. Ministers have said they are going to add £21 to the employer threshold, but what will be the indexation? Will they follow the long-standing traditions of the Rooker-Wise amendment when it comes to allowance and threshold changes and follow the retail prices index option, or will they row back again and go for the cheaper consumer prices index option? In other words, will they be giving with one hand, through the threshold change, but taking with the other, by only opting for CPI?

This debate has revealed significant concerns among Government Members about the crude discrimination shown against London, the south-east and the east of England. The Bill reveals a lack of a proper strategy for growth, especially in the English regions, and the Government have revealed their preference for regressive taxation, particularly VAT, which will harm businesses and raise unemployment. We will certainly need to see serious improvements in these measures in Committee.

7.15 pm

The Economic Secretary to the Treasury (Justine Greening): We have had an interesting debate and I am grateful for hon. Members' contributions, especially that of the hon. Member for Ealing North (Stephen Pound), who provided the most entertaining canter through an explanatory memorandum I have listened to in years.

At the beginning of the debate, my hon. Friend the Exchequer Secretary explained that the Bill contains two important measures: an increase in national insurance contributions and a regional employer national insurance contributions holiday for new businesses. Both are part of the Government's plan to reduce the burden of labour taxation, reducing obstacles for those who want to recruit and retain staff. It is worth stressing that the clauses are part of a much wider package of reforms to help businesses and ensure that Britain is again open for business. The reforms are designed to reverse the most damaging aspects of Labour's ill-conceived jobs tax. I listened with care to the contributions from Labour Members, but members of the public listening will have found it easy to forget that the Labour party left office with unemployment higher than when it entered.

Nevertheless, I am pleased that the debate has led to so many Opposition Members—and, indeed, Government Members—recognising that the best way to kick-start new business, as the hon. Member for Lewisham East (Heidi Alexander) put it, is to ensure that businesses are not over-taxed. In fact, the hon. Member for Ilford South (Mike Gapes) was extolling the virtues of low tax on businesses. That is why the Bill is so important. Were the coalition Government not in power, rather than corporation tax on businesses going down, it would have gone up, and rather than the national insurance burden, particularly on small businesses, being held down, it would have risen remorselessly.

The hon. Member for Nottingham East (Chris Leslie) talked about a split personality, but it is probably fairer to level that charge at the right hon. Member for Delyn (Mr Hanson), who, on the one hand, wanted to raise national insurance for all employers, but, on the other hand, complained that the tax break we wanted to introduce to reduce national insurance was not fair because it did not apply to all regions. He cannot have it both ways.

Mike Gapes: I am glad that the hon. Lady was listening so carefully to what I said. She refers to unemployment, but will she confirm that 3 million more people were in work when the last Government left office than when they entered?

Justine Greening: A lot of people would debate who those jobs were taken by. In reality, unemployment was higher—every Labour Government leaves office with unemployment higher than when they entered.

I want to talk about some of the most important aspects of the Bill. Employers will be £150 better off each year for each employee earning above the threshold. There will be an increase of 650,000 in the number of employees in respect of whom employers pay no national insurance contributions. Compared to this year, employers will pay less national insurance contribution in respect of those employees earning under £20,000. In fact,

low-earning employees will also be better off, because the point at which they start to pay national insurance contributions is also going up—by about £23 per week. By reversing the planned employer national insurance increases, this package will help to maintain the UK's attraction as a place to do business. In doing so, it will support the Government's aim of creating a fairer and more competitive tax system. The national insurance holiday will help with the transition to a more sustainable model of economic growth, encourage private sector enterprise and investment where it is most needed, create jobs in some of our poorest regions, and encourage people to become business people, entrepreneurs and wealth creators—the very people who will lead the recovery.

Those points were made eloquently by my hon. Friend Member for Sevenoaks (Michael Fallon) and later by my hon. Friend the Member for York Outer (Julian Sturdy), who also talked about the burden of red tape, which is another matter that the Government are keen to reduce for businesses. My hon. Friend the Member for Central Devon (Mel Stride) talked about the need to support business, and to create new jobs and the positive culture that we need to engender throughout the country. That is absolutely what the Government want to do.

The Bill should be seen in the context of wider measures. The Government have taken several steps to support business. In the emergency budget we announced measures to reduce corporation tax, not raise it on large companies year on year. We announced measures to reduce the small companies rate of corporation tax. The hon. Member for Strangford (Jim Shannon) talked about what we can do to help small companies and new companies. He was right, and that is precisely why, instead of increasing corporation tax on those companies, we preferred to try to ensure that they can enjoy a rate decrease.

We have gone further. The regional growth fund will benefit all communities in our country. The capital infrastructure plan was announced as part of the spending review, and more capital will go into supporting our country's infrastructure than would have happened under the previous Government. We have published the local growth White Paper.

Chris Leslie: In the hon. Lady's list of Budget changes, what will be the impact of the VAT increase on employment?

Justine Greening: Clearly, that must be seen in the context of our desperate need to tackle the fiscal deficit that the Labour party left us. It is one reason why our overall plan is not just to support business—that is clearly how we will grow our economy back to the healthy state that it needs to get to—but, as the hon. Gentleman pointed out, to make our numbers add up across the board. We must get rid of the structural deficit that his party handed over to us.

We believe that the package of measures is right, the OECD has said that it is moving in the right direction, and it has been welcomed throughout Europe. If the hon. Gentleman is saying that we should not increase VAT, that prompts a question. His right hon. Friend the Member for Edinburgh South West (Mr Darling) was interviewed recently and said that the Labour party would have increased VAT, so we cannot accept the hon. Gentleman's comments that his party would not have increased it. There is a blank piece of paper, and at the top are the words, "Labour economic strategy". It is time for the Labour party to start to become credible by trying at least to pull together and to plan for our economy. Most people will put the contributions about jobs and the complaints about reductions in national insurance not going far enough in the context of a party that has absolutely no alternative plan for managing our economy. They will realise that its arguments are not credible.

The regional aspect of national insurance policy must be seen in the context of the broader package to support business. The level of VAT registrations in different parts of our country and the number of jobs created in different parts of our country show that we need to ensure that we can stimulate growth, particularly in the communities that can benefit most from it. The policy should be looked at not in isolation, but in the context of the broader tax reductions on business and the rise in the personal allowance for employees. Nearly 900,000 of the lowest-income workers in our country will be taken out of income tax altogether. The vast majority of people will benefit from our proposals, and under the Bill many of them will be small businesses with a handful of employees.

Barry Gardiner: I do not think I heard a single speech from either side of the Chamber that suggested in any way that those benefits should not flow to certain businesses. The question that was repeatedly asked and that the Economic Secretary and her colleagues failed to answer is why those businesses are favoured, not only when they are specifically not the ones in the areas that will produce the economic growth that she indicates is required from the policy, but because of the manifest unfairness that will result from their distribution.

Justine Greening: I realise that the hon. Gentleman takes a different view about how to target the policy. I happen to believe that he is wrong. We recognise that there needs to be some targeting, but the way in which he would have done that would have been unwieldy and unaffordable. In the context of our broader measures to reduce corporation tax instead of allowing rises, which would have happened under the Labour party, and the measures to take the lowest-income employees in our country—nearly 900,000—out of income tax altogether, we are trying to strike a balance, and I believe that we have struck the right balance.

I have no doubt that we will continue the debate in Committee, but we must be pragmatic. I draw attention to the hon. Gentleman's attempts to target policies when the Opposition were in government. They faced difficulties with their changes during their final years in office. Under the deprived area fund, and the neighbourhood renewal fund, which became the working neighbourhood fund, some communities that had previously received funding were cut off. We want an overall package that supports business across the board, while retaining an element of support targeted at the regions that we think need to benefit most from the next economic upturn. That is what the Bill is doing.

The package of reforms of which the measures in the Bill are part will benefit individuals and employers throughout the country, and help us to achieve the twin objectives of creating a fair and competitive UK tax

[Justine Greening]

system. The burden of labour taxation will be reduced by more than £6 billion a year in a way that will help the lowest earners in Britain and protect lower-paid jobs.

The national insurance holiday provides targeted support to new enterprises, and encourages people to set up their own businesses and to employ new staff. It is an important part of our economic strategy to help the parts of the country that are most reliant on the public sector, and to ensure that we make the transition to a more sustainable model of growth and employment as smooth as possible. The Bill will ensure that as the recovery takes hold, all parts of the country will benefit. It will enable a reduction in taxation on labour nationally, and provide extra support in targeted areas. It will be good for growth, and for jobs. I commend this Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

NATIONAL INSURANCE CONTRIBUTIONS BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the National Insurance Contributions Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 9 December 2010.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Norman Lamb.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

NUCLEAR ENERGY

That the draft Nuclear Decommissioning and Waste Handling (Designated Technical Matters) Order 2010, which was laid before this House on 18 October, be approved.—*(Norman Lamb.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ENVIRONMENTAL PROTECTION

That the draft Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations 2010, which were laid before this House on 26 October, be approved.—*(Norman Lamb.)*

Question agreed to.

Internet Pornography

Motion made, and Question proposed, That this House do now adjourn.—*(Norman Lamb.)*

7.29 pm

Claire Perry (Devizes) (Con): I am grateful for the opportunity to debate this matter tonight. I thank Members on both sides of the House who have either made time to attend the debate or expressed support for my proposal since it was announced yesterday. I am asking for a change in regulation that would require all UK-based internet service providers to restrict universal access to pornographic material by implementing a simple opt-in system based on age verification.

The internet is a phenomenon that has changed our lives. I well remember my new year's resolution in 1996, which was to get to grips with this thing called the internet. Since then, there has been a massive growth in the size and complexity of the online world. In Britain today, more than 19 million households—73% of the total—have access to the internet, and the speed of access and complexity of content are growing all the time.

Children, with their annoying ability to be early adopters of new technology, are particularly heavy users of the internet, with 99% of 12 to 15-year-olds, 93% of eight to 11-year-olds and 75% of five to seven-year-olds saying that they use it regularly. We know that many obtain access in an unsupervised way, which is not surprising, given that 31% of 12 to 15-year-olds have internet access in their bedrooms. We also know that many children use this either knowingly or unknowingly to access pornography.

Pornography is one of the most widely available forms of content on the internet, representing 12% of the estimated 250 million global websites. Studies suggest, shockingly, that one in three British children aged 10—a third of our British 10-year-olds—have viewed pornography on the internet, while four out of every five children aged 14 to 16 admit to regularly accessing explicit photographs and footage on their home computers. The world has really changed.

Fiona Mactaggart (Slough) (Lab): I am very glad that the hon. Lady is raising this important issue tonight. Does she see, as I do, a connection between the figures to which she refers and the research by the End Violence Against Women coalition that suggests that a third of young girls experience unwanted sexual contact at school?

Claire Perry: The hon. Lady makes an excellent point, as always. I will speak in a moment about the unpleasant impacts of access to pornography on our young girls and boys.

The numbers that I have just cited are drawn from a relatively small sample, but more extensive studies suggest that almost 60% of children aged nine to 19 had viewed online pornography and that the rate of unwitting or unwanted exposure was increasing sharply. I know that many parents will have had that sickening feeling as their child clicks through, quite innocently, to a website after searching for a particular term. For example, a search for American Girls—a series of wholesome, culturally appropriate dolls—can end up at the American Girls website, which is certainly not a wholesome place to be. It is truly shocking how easy it is to access that kind of information.

These statistics are simply red-lining a problem that every parent recognises—namely, that our children are viewing material that we would never want them to see, especially at such a young age. So what can we do about it? The current way of controlling access to pornographic material on the internet is via safety settings and filtering software, installed and maintained by users—parents, teachers and carers across the country. Unfortunately, however, through technological ignorance, time pressure or inertia or for myriad other reasons, this filtering solution is not working. Even among parents who are regular internet users, only 15% say that they know how to install a filter. It is unfortunately also the case that our children know better than we do how to circumvent the filters, while the constant changes in internet technology and content mean that they can quickly become outdated.

I would like to raise two key issues about the current, unsatisfactory situation. The first, as the hon. Member for Slough (Fiona Mactaggart) has just pointed out, is that access to pornography has a profound and negative effect on our children. Against the backdrop of a drip-feed of sexualisation that promotes pole dancing as healthy exercise for young girls and high-heeled shoes as appropriate footwear for six-month-old babies, the availability of soft-core and hard-core pornography in our homes is damaging our children.

Yesterday I attended a Safermedia conference sponsored by my hon. Friend the Member for Enfield, Southgate (Mr Burrowes), and heard compelling evidence of this damage, including the explosion in the number of children in this country being referred to addiction clinics with a "pornography problem", and the fact that many studies demonstrate that watching internet pornography contributes to people seeing women as sex objects, increases sexual risk-taking such as having unprotected or anal sex, and relaxes the boundaries of sexual violence in a completely unacceptable way.

It is of course the ease of access to unimaginable acts of sexual violence and depravity on the internet that causes the greatest problems for parents. We all know what happens when a bit of innocent investigative clicking leads us to images that are truly sickening. Phillip Hodson of the British Association of Counselling and Psychotherapy sums this up very appropriately when he says:

"The entire history of human perversion and sexual deviation is there at your fingertips and a great deal of it is free."

The second problem in the current system of internet provision is the presumption that it is entirely the consumer's responsibility to safeguard their family from harmful imagery. I am a fervent supporter of personal responsibility and have an innate dislike of Big Brother regulation, but there is a form of content delivery in this country that, in contrast to the internet, is either regulated by the Government or has a successful self-regulation model that does not appear draconian or heavy-handed. Our television viewing is restricted by sensible Ofcom guidelines, including section 1, which says that material equivalent to the British Board of Film Classification's R18 rating must not be broadcast at any time, and that adult sex material cannot be broadcast at any time other than between 22.00 and 05.30 hours on premium subscription services or on pay-per-view or night services, which

[Claire Perry]

have to have mandatory restricted access, including PIN verification systems. We all accept such regulation of our television viewing quite happily.

What we see on our cinema screens is subject to regulation by the British Board of Film Classification, and we have accepted that for years. Our high street hoardings and general advertising are regulated by the Advertising Standards Authority, which displayed its teeth recently by removing posters from the Westfield shopping centre. Government guidelines inform newsagents' displays of lad magazines and porn magazines. Even the mobile phone industry, which has arguably seen even more change than the internet in the past 10 years and whose products are increasingly used to access the internet, has introduced a reasonably successful self-regulation model that requires an adult verification check before users can access inappropriate material on the internet.

George Hollingbery (Meon Valley) (Con): Carphone Warehouse is conducting a campaign on this issue, working with Professor Tanya Byron who has been working with the Government in this area for three or four years. A survey conducted by Carphone Warehouse found that 85% of children did not have parental controls activated on their mobile phones, 81% of parents felt that they needed to know more about how to deal with this problem, and 48% of parents wrongly thought that it was impossible for their child to download adult content on their mobile phone. I welcome the efforts being made by the mobile phone companies—there is no doubt that they have tried hard—but does my hon. Friend agree that there is still a great deal more to be done?

Claire Perry: As always, my hon. Friend makes an excellent, fact-filled point. I agree that although the self-regulation model is better than the one that pertains for internet service providers, there is much more to be done.

Why should internet service providers be any different from other content providers? Why is the onus on parents, teachers and carers to act as web guides and policemen? Where is the industry responsibility?

Three objections are usually raised when changes such as I am proposing tonight are discussed. The first is that any restriction on access to pornography on the internet is an infringement of free speech. I hope I am no Mary Whitehouse figure, although she was right about many things, but the nature of the internet has led to a proliferation of imagery and a discussion of sexual practices which is quite mind-boggling in its awfulness. I will not read out some of the information that was provided at the Safer Media conference yesterday, but I, at the age of 46, was introduced to sexual practices—one or two clicks away—that I have never heard of and simply cannot conceive of having my daughters view. It was simply sickening.

It is simply beyond belief that people can find sexual pleasure in viewing images of children, men and women being subject to the worst sexual degradation and violence. If that is our definition of free speech, the definition is wrong. That is not the purpose of tonight's debate, however. I do not propose to reduce or restrict inappropriate content for adults who access the internet; I would simply like to make it more difficult for our children to access that material.

The second objection to my proposal is that it is too costly and too difficult to implement—that it is a regulatory burden on a struggling industry. That is a red herring. Although the content of the internet is generated out there in the wild west on millions of international websites, access is concentrated in the hands of a small number of companies. The Digital Economy Act 2010 states that there are 450 fixed internet providers in the UK, but that the top six, which include household names such as BT, Virgin, TalkTalk, BSkyB, Orange and O2, have more than 90% of the market share. That is not a large group of companies to deal with and regulate. Notably, the combined revenues of that business model are more than £3 billion a year, so it is a deeply profitable industry in which to engage.

Another concern is the definition of pornography. If we are to have an age-verification system, how do we define pornography? We already have perfectly workable definitions of adult content provided by the Obscene Publications Act 1959, and provided and used by Ofcom in the television industry. The required blocking technology is available in distributed form, with the onus on parents and users to implement it, but one does not need to be Bill Gates to pull the whole thing into a more sensible system of internet regulation.

Interestingly, although the official view of the Internet Service Providers Association—confusingly named ISPA—is that any official restrictions would be hugely expensive, technically difficult and open to circumvention, one provider, TalkTalk, proposes to provide a ratings system in the new year, with an opt-in system including U, 14, 18 or unclassified ratings similar to those of the British Board of Film Classification. Although that is a responsible and welcome step which I commend, it is a voluntary system, again with the onus on parents to sign up. Surely it would be better for TalkTalk to offer a default U setting and then allow an opt-in to more advanced levels.

Nick Boles (Grantham and Stamford) (Con): Does my hon. Friend agree that this is simply a matter of consistency? We think it perfectly reasonable for Governments to pass laws that prevent young people from accessing damaging things such as cigarettes and alcohol, but pornography is just as damaging, if not worse, because damage to the mind can be permanent, whereas damage to the body can be temporary and recovered from. As a matter of consistency, therefore, Governments should act as she suggests.

Claire Perry: I thank my hon. Friend for making his usual deeply eloquent and relevant points. He is right. We have thrown up our hands, put the issue in the "too hard" basket—forgive the pun—and basically said that this is something Governments should not regulate. I believe it is.

The third objection to such proposals is that if we have age-verification software, children will just lie about their age and access the information anyway. The previous Government sensibly introduced workable age-verification restrictions on online gambling sites in 2005, however—an excellent model that works well and searches financial and electoral databases to verify that users are old

enough to enter the site and engage in the gambling within. It is a workable model, the previous Government introduced it, and they are to be commended for doing so.

Britain has taken steps towards internet safety before. The industry acted independently and responsibly on child abuse imagery by setting up the Internet Watch Foundation, which finds sites displaying abuse that the industry then works to block. We have led the world in introducing that technology, and the people and organisations involved are to be strongly commended. It has been a huge success: the amount of child sex abuse content reported or found to be hosted in the UK has dropped from 18% to less than 1%; and 95% of our broadband services use that blocking technology. It can be done.

The right hon. Member for Blackburn (Mr Straw) is also to be commended for introducing the Criminal Justice and Immigration Act 2008, which brought in a ban on the possession of extreme pornographic material. That is highly commendable, but of course the content is there on the internet and available for viewing by us and our children with one or two clicks of a mouse.

All that progress has been made, but regulating internet access to inappropriate content continues to stump successive Governments and, in my view, the industry. I believe the time has come to stop ducking an issue of enormous concern to parents, teachers and carers throughout the country. We are often ridiculed for raising it, barraged with information on why the internet should be treated differently, bamboozled with the problem of international co-operation and told that it is our responsibility and no one else's to keep our children safe.

I beg to differ. It is time for Britain to take a lead on the matter and for the Government, with their commitment to family-friendly policies, to act. Without action, and with technological convergence, we will increasingly be able to access internet pornography and all internet content via television, raising the prospect of this damaging and degrading material, which is shocking enough when viewed as thumbnails or on an A4-sized computer screen, being piped into our homes and displayed in high-definition glory on 4-foot-wide television screens.

The arguments for passive acceptance and self-regulation are past their sell-by date, and it is time to regulate the provision of internet services in this country. We already successfully regulate British television channels, cinema screens, high street hoardings and newspaper shelves to stop our children seeing inappropriate images, and mobile phone companies have come together to restrict access to adult material, so why should the internet be any different?

British internet service providers should share the responsibility for keeping our children safe, and there should be an opt-in system that uses age verification for access to such material. I urge the Minister to engage with the internet service providers to set a timeline for those changes and, if they will not act, to move to regulate an industry that is doing so much damage to our children.

7.47 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): May I say how grateful I am to my hon. Friend the Member for Devizes (Claire Perry) for raising this important subject and giving the House the opportunity to debate it? She put her case incredibly forcefully. We are used to saying that we are middle-aged when policemen start to look younger. Perhaps we can add a new phrase to the lexicon: when we start saying Mary Whitehouse was right, we might be approaching middle age. My hon. Friend's points were very well made, and chime very much with my thinking.

The subject of this debate has been misleadingly referred to as the regulation of access to pornography on the internet; what we are really talking about is ensuring that we can protect not only children from accessing unsuitable adult material, but adults from the extreme versions of pornography—to which, I am glad to say, my hon. Friend only alluded. As she said in her opening remarks, the internet is fast becoming the dominant medium not just in this country but all over the world. Moreover, as she noted at the end of her speech, when it converges with television it will become all pervasive. The struggle to deal with what one might loosely call internet regulation is something that we are having to come to grips with very rapidly as the internet advances so speedily.

I found out to my cost only last week, after making a speech on net neutrality, that anyone who ventures into the vexed subject of internet regulation, in the broadest sense, can set a number of hares running. There are many people who believe that the internet should not be regulated at all. This Government's position is that the internet should be lightly regulated, so that we benefit from many of the advances that have come about from a lightly regulated internet. Although we are focusing in this debate on the internet's negative aspects, it is important to remember that a lightly regulated internet has brought transformative companies to the web. As we learned from a piece of research published a couple of weeks ago, in just 15 to 20 years, internet commerce has come to represent something in the order of 9% to 10% of our economy.

This remains a very serious subject, which deserves very serious consideration. As with any area of life, it is vital that children and the vulnerable be protected. Where there is harm and safeguards are not heeded, we need effective sanctions to prosecute illegal acts.

Before addressing my hon. Friend's specific points, it might be helpful to set out the issue in the broader context of the Government's approach to the regulation of adult material in general. It is important to remember that we regulate adult material, regardless of the medium through which it is transmitted or published. The Government's policy is that controls on published material, including material published online, should strike a balance between freedom of expression and protection of the public. It should also be proportionate to the potential harm caused.

Clearly, there is material that should not be published at all. This is covered by the criminal law. All material published or broadcast in the UK is subject to the Obscene Publications Act 1959, under which it is a criminal offence to publish any article or image considered to be obscene. The Act also applies to the distribution of material on the internet or by mobile phone. It is important to note the general principle that an action that is illegal if committed offline is also illegal if committed online. Just because it is on the web does not make it all right. This applies both to the distribution of illegal material and to harmful behaviour.

Claire Perry: I am grateful to the Minister for launching into what sounds as if it will be a full and reasoned argument, but is it not the case that there have been almost no successful prosecutions of British companies within our criminal jurisdiction domain—I am thinking particularly of the Perrin case, but also subsequent cases—and that it is almost impossible to apply international law to shut down what we know to be blatant breaches of the regulation governing "appropriate adult material"?

Mr Vaizey: I shall come to the point that the web is global, so there is an international aspect to these issues. On the specific question of whether there have been prosecutions, it is not necessarily the case that the number of prosecutions reveals the effectiveness of an Act. The existence of an Act might often be enough to keep people within the relevant boundaries. As my hon. Friend says, the internet is a global phenomenon and people can access content from other jurisdictions. I will address that point in a few moments. As she rightly points out, I am trying to build a reasoned argument.

Jim Shannon (Strangford) (DUP): Does the Minister agree that this is a worldwide phenomenon, not just a United Kingdom matter? It is often other countries in the world that originate those websites, and then they are broadcast in the UK. What steps does the hon. Gentleman envisage us taking with other countries, whether those be Brazil, Spain or elsewhere, to ensure that we do not allow access to such material in the UK?

Mr Vaizey: I am coming to self-regulation, which is what I understand my hon. Friend to be calling for on the part of our internet service providers, to prevent access to inappropriate content. It is obviously not for this country to change the obscenity or pornographic laws in other jurisdictions, but it is important to recognise that we are dealing with content from beyond our own jurisdiction. Let me press on. I shall make my argument before accepting further interventions, so that hon. Members will be in a position to see the argument in the round.

On 26 January last year, Parliament further strengthened controls in the UK by making unlawful extreme pornographic material, including pornographic material containing explicit sexual violence that is life-threatening or likely to result in serious injury or bestiality. The Government also increased the maximum penalty for offences under the Obscene Publications Act from three to five years' imprisonment. Under the Protection of Children Act 1978, as amended, the UK has an absolute prohibition on the taking, making, circulation and possession with a view to distribution of any indecent photograph of a child under 18. Such offences carry a maximum sentence of 10 years' imprisonment.

There is also a law against the distribution of indecent images of children. Section 160 of the Criminal Justice Act 1988 makes the simple possession of indecent photographs of children an offence, and it carries a maximum sentence of five years' imprisonment. In this context I am delighted to be able to welcome the appointment of Peter Davies, the new chief executive of CEOP—the Child Exploitation and Online Protection Centre. I want to pay tribute to the work of his predecessor, Jim Gamble, as well as to the outstanding work of CEOP in tackling the sexual exploitation of children.

My hon. Friend also referred to the work of the Internet Watch Foundation, which I am due to meet shortly to discuss self-regulation of the internet. As she pointed out, the IWF was set up in 1996 by UK ISPs to enable members of the public to report child abuse content in newsgroups or websites hosted anywhere in the world, as well as obscene content hosted in the UK. If that content is considered potentially illegal, the IWF passes the details to the UK police to start action against the originators, and will seek to get the material taken down at source or ask ISPs to deny access to the websites concerned.

I am very interested in the work of the Internet Watch Foundation, because I believe that it provides a model that is now well established and working effectively. The issue I particularly want to discuss with the IWF is whether its work, which has hitherto focused on child abuse content, can be widened to cover some of the other issues that my hon. Friend has raised this evening.

As the hon. Member for Strangford (Jim Shannon) pointed out, access to online pornography is not a problem for the UK alone. We have to recognise that the internet is a global network. This brings with it real challenges to the effective regulation of access to pornography. The overwhelming bulk of obscene material published on the internet originates abroad, sometimes in countries that do not share our approach to such material. It is simply the case, and has been for many years, that much pornographic material that it would be illegal to publish in the UK remains legal to publish in many other European countries, and even in the United States.

The UK ISPs take a responsible approach to the content that they host, both of their own volition and in co-operation with law enforcement and Government agencies. Where they are advised that content that they host in the UK contravenes UK legislation, they will readily remove it.

My hon. Friend talked about an age-verified opt-in procedure for internet access to pornography hosted in the UK. This is already the case, although my hon. Friend made her own forceful argument that it might not be effective enough. The managers of websites featuring mature content have a legal responsibility to indicate clearly on their front page that those sites are unsuitable for anybody under the age of 18. Additionally, when websites charge for access, they must place their adult content behind a credit card barrier, to reduce further the risk of children and young people accessing it. We will continue to consider how that protection might be made more effective.

Ms Louise Bagshawe (Corby) (Con): Is the Minister aware of the private Member's Bill proposed by the hon. Member for Swansea West (Geraint Davies), which is designed to remove the anonymity of prepaid credit cards for purchases under £100, whereby such material can be anonymously purchased by under-age people—or by anybody else? That is important, because it is what drives the child pornography industry.

Mr Vaizey: That is a very interesting point, and I suspect that the consumer credit Minister is aware of it. I will certainly sit down with him and discuss whether there is a read-across into the issue we are discussing this evening.

As I said earlier, a UK-based website was recently forced to take down its front page because it hosted adult content that was accessed by under-18s. That shows that there are some examples where this is working.

Claire Perry: I am sorry to be constantly interrupting the Minister, because I know that he has a great deal of material to get through, but I think that he is going down the dead end of focusing on content. As he said, much of the content is provided and hosted by websites that are outside the United Kingdom's jurisdiction. We all know that the age 18 verification is simply a figment, and that there is almost no way of enforcing it.

The Minister has cited one website, but there are more than a quarter of a billion websites in the world, of which more than 10% are pornographic. I firmly believe that the onus of responsibility lies with the six British companies that are piping 90% of the content into our homes to provide some sort of opt-in software, so that we need not chase the red herrings of random porn websites in jurisdictions over which we have no control.

Mr Vaizey: I hear what my hon. Friend says, and I will address it in a moment, but first I want to talk about the UK Council for Child Internet Safety. I do not think that this is a dead end, because UKCCIS does incredibly important work. It focuses on content, self-regulation and joined-up government. Although, as I have said, we have a legal framework, that framework alone will not keep our children safe online. Real, effective protection for children can be achieved through parents, charities, industry, law enforcement authorities and Government working together. That is why Professor Tanya Byron—to whom my hon. Friend referred—was asked to take charge of an independent review on child internet safety, which led directly to the launch of UKCCIS.

UKCCIS is chaired by Ministers from the Department for Education and the Home Office, and Ministers from other Departments, including mine, attend its meetings regularly. It brings together more than 170 organisations from across industry, including internet service providers, the third sector, law enforcement authorities and the devolved Administrations, so that they can take positive steps to help children to stay safe online.

I assure my hon. Friend that the Government are working with the internet industry, through UKCCIS, to create an online environment in which children are protected from potentially harmful or inappropriate content. We want our young people to develop the knowledge, skills and resilience that will enable them to avoid accessing such content, and, if they do come across it, to avoid it in future and report it to the appropriate authorities when it causes major concern. UKCCIS is also working to encourage parents to take responsibility for what their children see online. I hear what my hon. Friend says about the need for ISPs to block this content, but I think it important for parents to take responsibility, and to use the filters and parental controls that are available in current technology to prevent their children from accessing harmful material.

My hon. Friend pointed out that people access pornography not just through their computers, but through their mobile phones. That is another issue to which I am hugely sympathetic, and it has been raised with me in my capacity as a constituency Member of Parliament. As my hon. Friend said, all UK operators operate a parental control regime on mobile phones that should prevent access to over-18 sites. It is set as a default on all phones when they are purchased, and it is for the consumer to request its removal, subject to proof of age. Ofcom provides detailed information on parental controls and access to adult content on its website. However, that goes only some way to protecting young mobile users from harmful content. Unfortunately, it is not possible to tackle content that is shared via bluetooth, for example, on a phone-to-phone basis. That is why the work of organisations such as UKCCIS is so important

What causes me to have a huge amount of sympathy with what my hon. Friend has said is the fact that I do not subscribe to the view that internet service providers are simply dumb pipes. In opposition and now in government, I have waged something of a campaign to that effect. According to one school of thought, ISPs are there simply to channel the content to homes, and should not interfere with what goes down their pipes. It is often said that asking them to do so would be the equivalent of asking Royal Mail to open every envelope and parcel and have a look at the contents. In that context, the hon. Lady rightly identified a red herring in relation to both expense and the idea of regulation. I also believe that we should not over-regulate the internet, and that self-regulation should be the first stop before we consider Government regulation or legislation. However, I think it should be put on the record that ISPs can play a role, and, indeed, have played a very effective role in combating child abuse content online.

Matthew Hancock (West Suffolk) (Con): I commend my hon. Friend the Member for Devizes (Claire Perry) on initiating such an important debate so early in the evening. I am glad that the Minister has enunciated the principle that ISPs are not merely a pipe through which information flows, but he has not taken the opportunity to point out that they could do more. Will he take that opportunity now?

Mr Vaizey: Now I understand why my hon. Friend is regarded as a rising star. I was about to say that ISPs could do more. My hon. Friend's anticipation of my next sentence was almost uncanny, especially as I am now speaking off the cuff rather than from a prepared text.

We have seen that ISPs can do very effective work in removing child abuse websites. We also know—and I mentioned this during my speech on net neutrality last week—that they can manage the traffic that crosses their network in order to give their consumers a good service. A couple of weeks ago, I held a round table with ISPs and rights holders from the music and film industries and from sport to discuss what measures we could take to provide more legal content as the Digital Economy Act 2010 comes down the line. It seems to me that, given that rights holders are fully aware of the websites that are distributing their content illegally, ISPs could do more in that regard. However, what I learned from the meeting was that it is important to arrange for people to sit around a table, discuss the issues, and seek ways in which we can work together to make the system operate effectively.

After that meeting, which was productive—I felt that in two hours we had made substantial progress—I made it absolutely clear that I would follow it up. It

[Mr Vaizey]

would not be a one-off meeting that we would forget about, perhaps returning to it in a year's time. I should like to offer the same opportunity to my hon. Friend the Member for Devizes, and perhaps to my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) and other interested Members, as well as to charities and other organisations that are involved in the debate.

If we do have such a meeting, it must not interfere with, or cut across, the important work that UKCCIS is doing. However, I think it important for the side that is concerned about the issue—which consists of most of us, especially those of us who are parents—to sit around a table with ISPs, air their concerns, ask questions, and establish what further action they can take, and for the ISPs to respond. I assure my hon. Friend the Member for Devizes that if we have such a meeting, I will not leave it there. We will see what progress we make, and we will follow it up.

Claire Perry: It is uncanny how the Minister is anticipating my questions. I can see why he is a risen star.

I should welcome the opportunity to participate in such a round table, and I know that many other Members would as well, but does the Minister agree that it must not be simply more jaw, jaw? What we need is a time frame for improvement. I think that there is now almost universal acceptance that we have a huge problem. The fire is burning out of control, and we need to be specific. We need to say, "Clean up your house within a certain time, or we will come and clean it for you".

Mr Vaizey: The House will unite in describing me as a risen star. It would probably be accurate to say that I have risen as far as I am going to rise.

I certainly agree with my hon. Friend that it should not be just jaw, jaw. I do not want to set any hares running, which is what I seem to do every time I talk about anything to do with the internet, but I think that the meeting with the rights holders and internet service providers was productive both because it was probably the first time they had sat around a table with an honest broker—me, representing the Government—sitting between them, and because we have the Digital Economy Act 2010 on the statute book, controversial though it is. If anyone ever wants to start a Twitter storm, they should write something about net neutrality or the Digital Economy Act. Especially if they write that they are in favour of that Act, they will then see what comes.

It is important that we impress upon ISPs that we take this issue very seriously. Trite though it may sound, it is also important for people to know that sitting around a table and exchanging views can be an effective means of getting across both the views of the ISPs and the huge concern expressed by my hon. Friend the Member for Devizes on behalf of her constituents and the country at large. She has made this an important issue and raised it in Parliament. It is perfectly legitimate for the ISPs to raise issues such as costs and regulation because although, as my hon. Friend pointed out, they make £3 billion in profit, it is important also to remember that we, as users of the internet, rely on them to make those profits so that they can invest in the broadband infrastructure and we can have the best superfast broadband in 2015.

Peter Bottomley (Worthing West) (Con): The debate is concentrating on the issue that matters most, which is extreme pornography. We are not concerned about nudity or ordinary sex. Most of us have a naked body, and very few of us inherited celibacy from our parents. The Minister mentioned the Royal Mail. Sending pornography through the mail is illegal. Can the Minister say whether the six ISPs who are currently providing the channels in question are the organisations who came to his meeting, and if they were not, will he have them in as well please?

Mr Vaizey: We had four of the main internet service providers, I think. I do not want to get too carried away and go to the other extreme. The ISPs in the UK do act to take down illegal content where it is pointed out to them, and they do hugely important work in taking down child abuse images. With the greatest of respect to my hon. Friend, who has inadvertently signed an early-day motion put forward by a Labour MP calling for an open internet—a slight distortion of my speech on net neutrality—we are, to a certain extent, talking about ordinary sex. We are talking about preventing children from having access to inappropriate content, and how we can work with ISPs to make it that little bit more difficult for them to do so.

My free-wheeling conclusion to this speech has probably not been helpful, so it might be helpful if I pull together a coherent final few remarks. We believe in an open lightly regulated internet. The internet is, by and large, a force for good. It is central to our lives and our economy, and a Government have to be wary about regulating or passing legislation. Nevertheless, the advent of the internet has brought a number of problems. One of them is the proliferation of images of child abuse, which I believe is being dealt with extremely effectively through the Child Exploitation and Online Protection Centre and UKCCIS, with the co-operation of ISPs. ISPs remain under an obligation to take down illegal pornographic content, which can extend beyond child abuse images, but there remain, from my position as a Minister, two issues. One of them is access to illegal content in terms of music, film and the creative industries, on which I am working with ISPs and rights holders. I take the second issue very seriously as a constituency MP alone: how we can work harder to ensure that it is more difficult for our children to come across inappropriate adult content? I firmly believe we can make progress, in co-operation with the ISPs, and that we can proceed on the basis of self-regulation. As I have said, I think it is important that we meet and sit around a table to exchange views, and I look forward to brokering such a meeting with my hon. Friend the Member for Devizes and a number of organisations she deems to be appropriate.

Question put and agreed to.

8.14 pm

House adjourned.

House of Commons

Wednesday 24 November 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

CABINET OFFICE

The Minister for the Cabinet Office was asked—

Public Bodies

1. **Stephen Phillips** (Sleaford and North Hykeham) (Con): What steps his Department is taking to support public bodies in contracting out public services. [25849]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): I announced last Wednesday that the Government are identifying a range of additional commercial models for public bodies wishing to contract out services, such as joint ventures and public sector worker mutuals, alongside traditional outsourcing options. A major barrier to this is the extremely cumbersome procurement process left behind by the previous Government. An average process here typically takes almost twice as long as it does in Germany. This makes tendering less competitive and effectively excludes many smaller suppliers and social and voluntary enterprises. We are taking steps to streamline the process.

Stephen Phillips: One of the problems with the delivery of public services in the past was the previous Government's focus on delivery through either private contractors or existing local and central Government bodies. Many public sector workers were thus prevented from suggesting innovative ideas for the more efficient and cost-effective delivery of services. How will they now be encouraged to come forward with their ideas?

Mr Maude: We have already encouraged them to come forward with ideas. As part of the spending challenge that we launched in the summer, we invited public sector workers to come up with ideas to save money while protecting front-line services, and 65,000 of them did so, indicating a huge amount of pent-up frustration. We are now encouraging as many of them as possible who are interested not only in having ideas but in putting them into effect to form worker co-operatives to spin out of the public sector while continuing to deliver services.

Jon Trickett (Hemsworth) (Lab): Given that there are strict procurement rules designed to demonstrate probity and value for money, and to avoid political interference, does the Minister think that it was wise for the Department for Education to hand out a £500,000 contract to the New Schools Network, an organisation led by a former associate of the Secretary of State? Was that contract fully compliant with all the relevant tendering regulations?

Mr Maude: I certainly do not know the details of that procurement, but I am confident that it would have followed all the rules to the letter.

Public Sector Mutuals

2. **James Morris** (Halesowen and Rowley Regis) (Con): What progress he has made on the establishment of public sector mutuals. [25850]

9. **Alun Cairns** (Vale of Glamorgan) (Con): What progress he has made on establishing public sector mutuals. [25857]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): I announced last week that every Department will put in place "rights to provide" for public sector workers to take over the running of their services. The first wave of 12 pathfinder projects was launched in August this year. Leading organisations in the sector, including Local Partnerships, the Employee Ownership Association and Co-operatives UK, have come together to launch an information and support service for public sector workers interested in mutualisation. I hope that Members on both sides of the House will encourage and support these worker co-operatives.

James Morris: Many public sector organisations and employees in my constituency are interested in this idea. Will my right hon. Friend clarify whether he sees these policies applying more to local community organisations, or whether he envisages organisations on the scale of, say, NHS trusts being able to take on mutual status?

Mr Maude: I do not think that we should be prescriptive about how large or small, or how local or broad, these co-operatives could be. The pathfinders range enormously in size: I think that the smallest has only three potential employees or members, while the largest has 1,100, and it is possible to imagine them being even larger. I hope that groups of public sector workers from right across the sector will consider whether this could be a good route forward for them to take, and we will make it as easy as possible for them to take it.

Alun Cairns: What action is the Minister taking to protect the interests of innovative public sector workers who come up with exciting ideas for public sector mutuals, but whose senior management do not support them because it might not be in their personal interest to do so?

Mr Maude: It is possible that such a situation could come about, which is why we have encouraged the organisations that I mentioned to set up the information and support service for groups of public sector workers. We will also establish a challenge group, into which this service can feed thoughts and suggestions. If there are concerns that middle and senior managers are obstructing the right of public sector workers to form these

co-operatives, I hope that people will feed them directly to us, through the challenge group, so that we can take the appropriate steps.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does the Minister accept that there is a fundamental difference between a worker co-operative and an organisation that is fully mutual? Can he assure me that there will be a democratic process within public sector mutuals and that there will be a membership element to it?

Mr Maude: We do not have a dogmatic view about exactly what form these should take. I hope there will be considerable innovation. Some will want to form joint ventures with outside providers; in other entities, the Government or whatever other state agency is the commissioning body might want to retain a stake in the organisation. There will be strong democratic worker involvement in many of them, but the key element is a degree of ownership by the employees themselves.

Lindsay Roy (Glenrothes) (Lab): May I probe the Minister further on what specific advice and support the Government are offering to organisations that wish to become mutuals or co-operatives?

Mr Maude: A range of advice is available. The 12 pathfinder projects are supported by organisations that are able to provide support—for example, Co-operatives UK and the John Lewis Partnership, which have enormous experience in this area. The advice and support service that these organisations are putting together will be able directly to channel support and advice from organisations such as the Employee Ownership Association. That should help organisations to find the right advice for the particular circumstances of a particular group of workers.

Government Contracts

3. **Mr David Ruffley** (Bury St Edmunds) (Con): What steps he is taking to increase the participation of voluntary and charitable bodies in bidding processes for Government contracts. [25851]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): The Office for Civil Society will shortly publish a consultation on what changes need to be made to commissioning to make it easier for voluntary and community sector organisations to compete for public contracts. The results will feed into a wider public services reform White Paper, which is due to published early in the new year.

Mr Ruffley: I am grateful to the Minister. On 13 November, I chaired a summit meeting of the chief executives of 14 significant third sector bodies in Suffolk to discuss the big society and Suffolk county council's radical new strategic direction programme to contract out local public services. The third sector bodies were extremely keen to bid for these contracts, but they were concerned that unscrupulous, large corporate prime contractors and a very crude payment-by-results regime could fatally damage their cash flow—

Mr Speaker: Order. I think that the hon. Gentleman wants to be reassured that that will not be the case. We are grateful to him for so indicating—*[Interruption.]* Order. That is the end of it.

Mr Hurd: As my hon. Friend knows, there will be cases where large-scale contracts are more efficient, but we want to make sure that voluntary and community sector organisations do not feel excluded from them and are treated fairly by the prime contractors within any consortiums. The White Paper will address that issue. In addition, the private Member's Bill of my hon. Friend the Member for Warwick and Leamington (Chris White), which the Government support, will place a firmer requirement on commissioners to consider social value in their buying decisions. That will help. I should be delighted to meet representatives of the local voluntary and community sector organisations in the constituency of my hon. Friend the Member for Bury St Edmunds (Mr Ruffley) and I extend the same offer to all hon. Members.

Roberta Blackman-Woods (City of Durham) (Lab): I am sure that the Minister will agree that bidding processes and the awarding of Government contracts must be transparent and fair—and seen to be so. Does he therefore think it good practice that his Department awarded a huge £4.1 million contract to a charity founded by his policy adviser, Lord Wei? Will the noble Lord consider his position as a result of this matter?

Mr Hurd: I am not entirely sure to which contract the hon. Lady refers, but if she means the recently announced awarding of contracts to 12 providers of the national citizen service, that process was run in an impeccably transparent way. We are absolutely delighted with the outcome and with the prospects for that programme.

Dr John Pugh (Southport) (LD): On probity and transparency, what puts off most charitable organisations is the time, the expense and the long drawn-out nature of the process. Is the Minister going to do something about that?

Mr Hurd: Absolutely. That is a hugely important point. Everything I have learned over the past two years suggests that for many organisations the whole process of applying for and reporting public money is a bureaucratic nightmare—often totally disproportionate to the sums involved. Changing that is fundamental to the reform of commissioning and procurement that we are undertaking.

Voluntary Sector Organisations

4. **Diana Johnson** (Kingston upon Hull North) (Lab): What assessment he has made of the likely effects of the outcomes of the comprehensive spending review on voluntary sector organisations over the spending review period. [25852]

The Minister of State, Cabinet Office (Mr Oliver Letwin): Our programme of structural reform is opening up huge new opportunities for all sorts of voluntary and community sector organisations to take part in the delivery of public services. In the hon. Lady's constituency, City Health Care Partnerships—which, I understand, is

an employee-led spin-out from the health service—is providing health visitors, district nurses, pain clinics and a range of other services. That is an admirable example of what can be done, and we hope that it will be replicated in other parts of the country.

Diana Johnson: What message would the Minister send to the Hull Families Project, which is based in Orchard Park, given that £160 million of regeneration funds were stripped from that community on Monday, and to the Hull Churches Home from Hospital Service, which fears that the local authority and the NHS will cut its budget? What message does that send about the coalition Government's real approach to disadvantaged communities?

Mr Letwin: The hon. Lady knows that the coalition Government have protected the NHS budget, for the very reason that we regard it as a priority. She may also know that the public health White Paper, which is on the way, will announce our proposals—already well foreshadowed—on the health premium. The health premium will specifically benefit those who are improving public health locally, and will organise funding so that it most benefits the most disadvantaged parts of the country, thus dealing with the precise points that the hon. Lady raises.

Mr Mark Williams (Ceredigion) (LD): There are increasing pressures on independent citizens advice bureaux throughout the country. Debt management issues are an ever-present feature of their work. What assurances can the Minister give that expertise and resources will be available to CABs locally so that they can undertake their invaluable work?

Mr Letwin: The coalition Government certainly agree that citizens advice bureaux form a fantastically important part of the fabric of the big society and support for people locally, and I believe that Members throughout the House recognise the value of their services. We will support them in every possible way, and I should be delighted to talk to the hon. Gentleman about any specific issues in his constituency.

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): I believe that strengthening civil society is a common cause between us. Labour is certainly very proud that the sector doubled when we were in government. Now, however, charities are saying that they face cuts of a little over £3 billion during the next couple of years. How many jobs does the Minister expect to be lost in charities that do not have Conservative advisers at their helms or on their boards? To the untrained eye it seems that, worryingly, some charities are now more equal than others.

Mr Letwin: The right hon. Gentleman is well aware that more than three quarters of charities receive no Government money, and therefore will not be affected. He ignores the opportunities presented by the new public service reforms. The Work programme, for example, is creating huge opportunities for the voluntary and community sector, and there will be increased funds from that source. There will be more funds for drug prevention, rehabilitation and recovery, and for the rehabilitation of prisoners. Payment-by-results contracts will be available for a huge range of new voluntary and community sector operators. I expect the right hon. Gentleman to see an expansion, not a reduction, in the sector and its activities.

Government Contracts

5. **Michael Ellis** (Northampton North) (Con): What plans he has to encourage opportunities for small and medium-sized enterprises to apply for Government contracts. [25853]

12. **Julian Smith** (Skipton and Ripon) (Con): What plans he has to increase engagement of small businesses in public procurement processes. [25860]

14. **Damian Collins** (Folkestone and Hythe) (Con): What plans he has to encourage opportunities for small and medium-sized enterprises to apply for Government contracts. [25862]

15. **Jason McCartney** (Colne Valley) (Con): What plans he has to encourage opportunities for small and medium-sized enterprises to apply for Government contracts. [25863]

The Minister of State, Cabinet Office (Mr Oliver Letwin): On 1 November, my right hon. Friend the Minister for the Cabinet Office announced a package of measures to help small and medium-sized enterprises to obtain public sector contracts. They include halving the length and breadth of the pre-qualification process for small firms, and creating a single website called Contracts Finder, where small businesses can locate all the contracts that are available from Government.

Michael Ellis: Given that 95% of people in my constituency are employed by small and medium-sized enterprises and that some companies would relish the opportunity of a fair playing field in bidding for Government contracts, will my right hon. Friend make suitable changes to the bureaucratic burden that they currently bear, thanks to the previous Government, as soon as possible?

Mr Letwin: The short answer is yes—and abundantly so. The measures I just described are intended to do that. In addition, we are looking at the causes of delay in the procurement process because, as was mentioned earlier, that is often part of the problem. We are also requiring suppliers to pay their subcontractors within 30 days, and encouraging them to pass those payments right down the line to the smallest businesses.

Julian Smith: These are great measures for small business, but may I impress upon the ministerial team the need to move forward with them now, because British small business is desperate for access to these contracts? So—please, please, please—get on with it now.

Mr Letwin: I am happy to be able to tell my hon. Friend that that is precisely what we are doing. That is why we are publishing every contract for tender of over £10,000 on a website, enabling people to see the opportunities. It is also why we have put in every Department's business plan the requirement to report on the percentage by value of contracts they have let to small and medium-sized enterprises. We shall measure the extent to which Departments fulfil that requirement. *[Interruption.]*

Mr Speaker: Order. For a start, there is too much noise in the Chamber. Secondly, the Minister is, no doubt because of his natural courtesy, looking back at the person by whom he has been questioned, but he must address the Chamber so we can all hear him.

Damian Collins: Will the Minister consider organising an event or exhibition at which small businesses could show what they can offer to Government procurement? Perhaps we could have a street fair in Downing street, and invite people out of their offices to come and see for themselves?

Mr Letwin: I cannot offer my hon. Friend a street fair in Downing street, but I can certainly promise that we will take up his suggestion of looking into ways of enabling small businesses to bring home to those responsible for procurement just what a valuable contribution they make.

Jason McCartney: Perhaps we could have a street fair in Colne Valley. SMEs in my constituency will certainly welcome the measures, which will make it easier for them to do business with the Government, but can the Minister assure them that the process will be more accountable and transparent?

Mr Letwin: Yes, indeed, I can; in fact everything I have been describing tends to that end. We are going to make sure SMEs know what contracts are available; we are going to make sure they get a proper account of what is awarded; and we are going to make sure that Departments are held to account in awarding to SMEs. We want transparency all the way through the process because that is what will drive Government to let contracts to SMEs.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): Now that Lord Young has gone, does the Minister agree that SMEs have never had it so good in respect of their share of Government procurements given the scale of cuts announced in the spending review?

Mr Letwin: Lord Young has resigned. My personal view is that the longest and deepest recession since the war, and the vast fiscal deficits that the Labour party bequeathed to us, have left not only SMEs but the entire country, and, of course, the Government, with an enormous challenge that we are now trying to meet.

Richard Burden (Birmingham, Northfield) (Lab): Some of the enterprises of relevance in this context are third sector or voluntary sector organisations, for which the operation of the compact is important. How will the Minister respond to the concerns expressed by a number of those organisations that the compact is not working and that the new compact's accountability mechanisms are not robust enough? The reality is that voluntary sector organisations are first in line for cuts, and this Government are doing nothing to address that.

Mr Letwin: Let us be clear: the compact is not about the level of expenditure but about the extent to which, in each contract, the Government play fair by those with whom they are contracting. We absolutely accept that the operation of the compact under the previous Government was not adequate. We are introducing new measures to make it more transparent, and the entire structures of our payment by results contracts will be totally transparent and in line with the spirit, as well as the letter, of the compact.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): Will this include Scottish enterprises?

Mr Letwin: Of course. If the Scottish Government take the correct measures, it will apply in Scotland; and in the UK as a whole, and in England in particular, we will make sure there is transparency and that the compact is totally observed regardless of where the contractors come from.

Hugh Bayley (York Central) (Lab): The cuts in public expenditure will put enormous pressure on construction industry firms, and the smaller and medium-sized firms will be particularly badly hit. What are the Government going to do to protect those companies so that when the economy improves they will still be there to do the construction that is needed?

Mr Letwin: The greatest protection for small and medium-sized enterprises in the construction sector and elsewhere is, of course, a macro-economic framework that enables them to survive the recession, prosper and grow. That is why my right hon. Friend the Chancellor has taken the steps that have led the world in providing a solid macro-economic framework and low interest rates that enable—

Mr Speaker: Order. I am grateful to the right hon. Gentleman. I call Mr David Amess.

Consultancy

6. **Mr David Amess** (Southend West) (Con): What estimate he has made of the change in his Department's spending on consultancy between 2009-10 and 2010-11. [25854]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): The Government have cut the previous Government's profligate spending on consultancy. In the first six months of this financial year, consulting spend by the Cabinet Office fell by 42% compared with the trajectory for the previous year. In the first six months of this year, consulting spend right across central Government fell by £350 million—or more than 50%, so it has more than halved—compared with the same period last year.

Mr Amess: The whole House should welcome that news. Will my right hon. Friend confirm that proper processes were proceeded with on the procurement of the DLA Piper contract?

Mr Maude: I can only assume that the proper processes were followed, because this happened under the previous Government, when the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) was Minister for the Cabinet Office. Any suggestions of a conflict of interest arising from the position of the Deputy Prime Minister's wife are wholly misplaced, because the contract was placed before he was anywhere near government.

Mr Denis MacShane (Rotherham) (Lab): I welcome the Minister's statement on a reduction in consultancy fees, but hundreds of millions of pounds of taxpayers' money is still being spent with these firms. Why does he not simply say no and get civil servants to do their jobs?

Mr Maude: I am grateful for the right hon. Gentleman's robust support for this Government's change in direction from that taken by the Government of whom he was a member. We believe that the incontinent use of consultants is demeaning for civil servants, who would, in many cases, like to be doing this work and are very capable of doing it. *[Interruption.]*

Mr Speaker: Order. Far too many private conversations are taking place in the Chamber. This is very discourteous and it should end.

Civil Service Compensation Scheme

7. **Claire Perry** (Devizes) (Con): What recent progress he has made on his proposals for reform of the civil service compensation scheme. [25855]

10. **Jeremy Lefroy** (Stafford) (Con): What recent progress he has made on his proposals for reform of the civil service compensation scheme. [25858]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): The Superannuation Bill, which will impose caps on compensation payments and permit the reform of the civil service compensation scheme, is proceeding through the other place. I remain confident of being able to introduce a new scheme before the House rises.

Claire Perry: I thank the Minister for that reply. More than 30% of the work force in my constituency are employed by the public sector, given the heavy proportion of Army personnel and Ministry of Defence civil servants. Many of the MOD civil servants are members of the Public and Commercial Services union. Has it come to the table and joined the negotiations, or does it still stand alone?

Mr Maude: Sadly, despite repeated invitations, the PCS has not come forward with concrete proposals. The other five unions engaged constructively and their proposals formed the basis for the new scheme that we have developed. I am sorry that the PCS, which represents so many civil servants, particularly lower-paid civil servants, has not chosen to take part in a constructive spirit.

Jeremy Lefroy: In my right hon. Friend's proposals for reforming the scheme, what account is he taking of the protection of the lowest paid staff in the civil service?

Mr Maude: That has been our principal concern in fashioning a new scheme. Civil servants' average pay is lower than that in the private sector and the wider public sector, and it is right that they should be at the forefront of our concerns. The scheme that we have developed, in negotiation and consultation with five of the six unions, gives particular protection for them by deeming that the salary on which their compensation calculation is based is £23,000, so anyone paid less than that will have their compensation calculated on that basis.

Well-being

8. **Dr Julian Huppert** (Cambridge) (LD): How his Department plans to measure and promote well-being. [25856]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): The hon. Gentlemen will know from the Budget and previous statements by the Prime Minister that the Government are committed to developing broader measurements of well-being to inform policy development. A conference tomorrow will bring together experts to discuss how we measure and promote robust, independent measurements of subjective well-being.

Dr Huppert: I am delighted that the Government are taking this issue of well-being seriously. Does the Minister agree that promoting well-being involves a focus on development and understanding in schools, not just exams, on fulfilment and job satisfaction at work, not just salary, and on community and opportunity nationally, not just gross domestic product?

Mr Hurd: I know that the hon. Gentleman takes a big interest in this subject as vice-chair of the all-party group. The Government take it seriously. We are taking forward the recommendations in the Stiglitz, Sen and Fitoussi report and the conference tomorrow will be the first step in deciding how we go forward to measure and promote subjective well-being. I am sure that the hon. Gentleman's view will be heard.

Barry Gardiner (Brent North) (Lab): As part of his efforts to promote well-being, will the Minister consider the abolition of the Independent Parliamentary Standards Authority?

Mr Hurd: I sense that there might be some consensus on that in the House, but it is a subject well above my pay grade.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [25834] **Michael Connarty** (Linlithgow and East Falkirk) (Lab): If he will list his official engagements for Wednesday 24 November.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to Guardsman Christopher Davies of 1st Battalion the Irish Guards, who died on Wednesday 17 November in Afghanistan. He was the 100th British soldier to die this year, a reminder of the high price we are paying for the vital work that is being done. Christopher was an utterly professional and highly respected soldier and we send our deepest condolences to his families and his loved ones.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Michael Connarty: I associate myself and my colleagues with the condolences that the Prime Minister passed on and I also express sympathies to the families of those involved in the New Zealand mining disaster, two of whom come from Scotland.

Does the Prime Minister share my concerns that, although good restaurants pass on 100% of tips to their staff, some are using bogus tronc or kitty schemes to avoid paying national insurance while ripping off up to 14% of their staff's tips? Will he personally stand up for fair tips and agree to meet me and a delegation of hospitality workers to discuss the need for the promised one-year review of the operation of the law on tips?

The Prime Minister: The hon. Gentleman is entirely right to mention the tragic accident at the New Zealand mine. What has happened is immensely sad. I spoke to the New Zealand Prime Minister, John Key, this morning and I know that the thoughts of the whole House will be with the 29 miners who lost their lives and with their families—particularly Peter Rodger from Perth and Malcolm Campbell from St Andrews. I know that our high commission and the consular officials are in touch with their families and doing everything to help at what must be an impossibly difficult time.

The hon. Gentleman has been a long-standing campaigner on the issue of tips and has done some excellent work on it. It is right that tips should be distributed to staff and should not be used to top up the minimum wage. They should not be diverted in any way. The law is very clear: tips must not be used to back up the minimum wage and enforcement officers should take action to ensure that that does not happen. The hon. Gentleman should meet Business, Innovation and Skills Ministers and they can look at the important code of practice that was produced and ensure that the hospitality industry is meeting it.

David Tredinnick (Bosworth) (Con): Will my right hon. Friend take steps to sort out the mess in Parliament square, particularly ahead of 29 April? Does he think that it is reasonable that visitors to London from home and abroad should be faced with a no-go area surrounded by a campsite?

The Prime Minister: I entirely agree with my hon. Friend. I will always defend the right to protest and the right to protest peacefully. It seems to me entirely fair that people should protest, but I have never seen why they are able to sleep in Parliament square. I have had many discussions with my right hon. Friend the Home Secretary, the Mayor of London and the Metropolitan Police Commissioner. I think 29 April is too far a deadline by which to get this problem sorted out.

Edward Miliband (Doncaster North) (Lab): I start by joining the Prime Minister in paying tribute to Guardsman Christopher Davies of 1st Battalion the Irish Guards. He died providing heroic service to our country, like all our other troops. We pay tribute to him and send our deepest condolences to his family.

I also join the Prime Minister in expressing deep sadness about the deaths of the miners who were tragically killed in the underground explosion in New Zealand, including the two miners from Scotland. I know from my constituency the risks that miners take when working underground and our hearts go out to the miners' families and friends.

I also thank the whole House for the good wishes on the birth of my second son, Samuel. In particular, I thank the Prime Minister and his wife Samantha for their very generous gifts—[[Hon. Members: "Ooh!"] I shall keep the gifts secret. I also thank the Deputy Prime Minister.

I want to turn to a decision that has been made in advance of the education White Paper, on which there will be a statement at 12.30 pm. Is the Prime Minister aware of the deep concern among schools, families and leading sportsmen and women about the Education Secretary's decision to take away all the funding from the highly successful school sport partnerships? Will the Prime Minister overrule the Education Secretary and reverse the decision?

The Prime Minister: I welcome the right hon. Gentleman back and I congratulate him again on the birth of baby Samuel. I very much know what it is like—the noise, the mess, the chaos and trying to get the children to shut up. I am sure that it was lovely to have two weeks away from it all. He is very welcome.

On the point about sports funding, in the White Paper that my right hon. Friend the Secretary of State for Education will announce later we are taking a very different approach. We are taking a lot of the specific grants that were spent on specific subjects and putting them into basic school funding. That means that the schools budget is going to go up by £3.6 billion over this Parliament. I have to say to the right hon. Gentleman that what we experienced over the last decade was a lot of money being put into school sport but without seeing a lot of progress. *[Interruption.]* We did not see a lot of progress. Let me give him one figure: the number of schools offering rugby, hockey, netball and gymnastics actually fell under the previous Government. That approach did not work and it is time for a new one.

Edward Miliband: The Prime Minister will come to live to regret that answer, because he should not believe the nonsense that the Education Secretary is telling him about this. Since 2002, we have seen an increase from 25% to 90% in the number of kids doing more than two hours of sport a week. We have seen 1 million more kids doing competitive sport between schools and—I would have thought the Prime Minister would support this—we have a network of 200,000 volunteers from the school sport partnerships. I say to him: that sounds like the big society to me. Why is he undermining it?

The Prime Minister: Let me tell the right hon. Gentleman what we have ended up with after 10 years of that approach. Only two in every five pupils play any competitive sport regularly in their school. That is a terrible record. Only one in five children plays regular competitive sport against other schools. The approach that Labour took for all those years did not work. The time for endlessly telling head teachers what to do and how to spend their money is over. It is time to trust head

teachers, give them the budget and let them decide how to make sure that we have great competitive sport within school and between schools.

Edward Miliband: If the Prime Minister will not take it from me, perhaps he will take it from Jo Phillips, the school sports co-ordinator in Chipping Norton school in his constituency. In a letter to me, she said:

"I am devastated to witness the potential demise of this legacy with the sweep of Mr Gove's pen. I wish that he had spoken to me, the teachers in our partnership, our students, our parents and our local sports clubs and providers".

I say to the Prime Minister: this is frankly a daft decision that he should U-turn on as soon as possible. I am afraid that it sums up this Education Secretary: high-handed, incompetent and unfair. Why does the Prime Minister not get a grip on it?

The Prime Minister: I have to tell the right hon. Gentleman that last year the proportion of 11 to 15-year-olds playing sport went down. That was after all the money that Labour spent and all the initiatives. It simply did not work. What we are doing is protecting the playing fields under our planning rules and taking back the vetting and barring scheme that stopped so many people from taking part in school sport. Again, there is a fundamental difference. Labour's approach was specific grant after specific grant, wrapping teachers and schools in red tape and not making any progress. We take a different approach: putting the money into the schools budget, growing it by £3.6 billion, holding a schools Olympics and promoting school sport. That is the way that will make a real difference.

Q2. [25835] **Jackie Doyle-Price** (Thurrock) (Con): May I ask my right hon. Friend whether, during the international negotiations regarding the economic situation in Ireland, at any point anyone suggested that countries with large deficits should slow down the rate at which they are reducing them?

The Prime Minister: My hon. Friend asks a very good question. In the G20, the G8 and European Councils, there is absolutely nobody who thinks that if they have a big budget deficit they should do nothing about it. The only people who seem to be taking that view are the Opposition, who now have a new approach. They are having a policy review, and the Leader of the Opposition says:

"In terms of policy...we start with a blank page."

That would be a great help at the G20.

Q3. [25836] **Mr Russell Brown** (Dumfries and Galloway) (Lab): UK Border Agency funding to support immigration and related work at the ports unit in Stranraer and Cairnryan ceased yesterday, with the commitment that all such work would be dealt with in Northern Ireland. Without additional resources at that location, I believe that that cannot work. If in the coming months the ports unit in my constituency does not see a reduction in immigration-related cases, will the Prime Minister revisit the issue?

The Prime Minister: What we do at our borders is incredibly important. I spent some time yesterday with the Home Secretary at Heathrow airport, meeting UK Border Agency staff. They do a fantastic job, and I want to help them go on doing it. I shall look carefully at what the hon. Gentleman says—*[Interruption.]* The answer is that what we are going to do is make sure that immigration work is done in Northern Ireland rather than at Stranraer, but I shall look very carefully at that to make sure that the system is working.

Geoffrey Clifton-Brown (The Cotswolds) (Con): Does my right hon. Friend agree that a proper and well planned international rescue plan for the Irish economy would be far less damaging to the wider economy of this country than some of the possible dire alternatives?

The Prime Minister: My hon. Friend makes a very good point. Every man, woman and child in Ireland spends more than £3,000 each year on British goods and services. Our economies are very intertwined—very interlinked—and it is right that we take part in helping to ensure stability and growth in the Irish economy.

Q4. [25837] **Jim Sheridan** (Paisley and Renfrewshire North) (Lab): In the context of "We are all in this together", could the Prime Minister explain why he proposes to abolish the Agricultural Wages Board, which protects some of the poorest workers in the country, while at the same time he is protecting from public scrutiny the salaries and bonuses of major bankers in this country?

The Prime Minister: We have looked very carefully at all the quangos and tried to work out which ones need to stay and which ones need to go. That was long overdue. We have a minimum wage and a tax credit system, and there are so many quangos that are not adding value that it makes sense to give taxpayers value and scrap the ones that are not doing anything.

Mr William Cash (Stone) (Con): Will my right hon. Friend explain why at every turn—the City of London, the investigation order, economic governance of Europe and the stabilisation mechanism—the coalition Government under his premiership are acquiescing in more European integration, not less? And there is no repatriation of powers.

The Prime Minister: It will not surprise my hon. Friend to hear that I think he is wrong. Under the approach of a previous Government, we would have caved in when the European Parliament asked for a 6% budget increase. We have not, and we have fought that increase—*[Interruption.]*

Mr Speaker: Order. I want to hear the Prime Minister's views about the views of the hon. Member for Stone (Mr Cash), and I hope the House does.

The Prime Minister: Also, we will make sure that future bail-out mechanisms should not involve non-euro countries such as Britain having to make those contributions. That is something we will secure in Europe.

Edward Miliband: Does the Prime Minister agree that just as it is right to disclose top salaries in the public sector, so too it must be right to require banks to disclose the number of employees paid salary and bonuses of more than £1 million?

The Prime Minister: Yes, we do agree with that. The last Government commissioned the Walker review. David Walker has carried out that review and made his report. He has made it very clear that he thinks we should make progress with the transparency agenda at the same time as other European countries. That is a view we think should be taken into account.

Edward Miliband *indicated dissent.*

The Prime Minister: The right hon. Gentleman shakes his head, but the fact is that he was part of the Government who appointed David Walker. I would rather listen to someone who knows something about banking than someone who knows nothing about anything.

Edward Miliband: The Prime Minister will have to do better than that. He is demanding transparency—rightly—from the public sector, but unless we have transparency in the banking system, shareholders cannot exercise their duty to clamp down on unacceptable bonuses. The Business Secretary issued a statement on Monday, when news of the climbdown was in the offing. He said:

"Transparency is key to creating confidence in any commitment from our banks to behave more responsibly on pay and bonuses."

Why will the Prime Minister not listen to his Business Secretary?

The Prime Minister: We agree with the approach of transparency. That is why the Walker review was set up, and that is why we should examine what Walker has to say. I will take lectures from the right hon. Gentleman about lots of things, but not when it comes to the banks. He was in the Treasury when the previous Government did not regulate the banks properly. He was in the Treasury when they set up the tripartite system that failed. He was in the Treasury when they had the biggest boom and the biggest bust. He was in the Treasury when they gave Fred Goodwin—the man who broke the Royal Bank of Scotland—a knighthood. I would go back to the blank sheet of paper, if I were you.

Edward Miliband: I will compare my record in the Treasury any time to the Prime Minister's—he was there on Black Wednesday.

Is this not just typical of the Prime Minister? Before the election, he promised "a day of reckoning" for the bankers. We passed the legislation. It is there for him to implement. It is not very much to ask. All that the legislation requires is that the banks publish the number of people—not even their names, as the Chancellor used to call for—getting pay and bonuses above £1 million. It does not make sense to wait for Europe. Why does the Prime Minister not show a lead and just get it done?

The Prime Minister: The right hon. Gentleman says that he wants to contrast his record in the Treasury. *[Interruption.]* Yes, let us remind people that when he was in the Treasury the Government built the biggest budget deficit of any G20 country. We had the biggest boom and the biggest bust. It was his Government—[HON. MEMBERS: "Answer!"] It was his Government who set up the Walker review, and he should listen to what it has to say. The right hon. Gentleman has nothing to say about the deficit. He has nothing to say about regulation. He is just the nowhere man of British politics.

Mike Crockart (Edinburgh West) (LD): I am sure that the Prime Minister is aware of the Movember campaign, in which men grow moustaches for the month of November to advance awareness of prostate cancer. Will he join me in congratulating the almost half a million people worldwide, many in the UK, who are on track to raise £25 million this year in sponsorship? Given how good we look, will he consider joining us next year?

The Prime Minister: I congratulate the hon. Gentleman on such a magnificent specimen—the moustache that he has grown. It is absolutely right to raise awareness of prostate cancer. The campaign is a very good charitable move. I can see that some of his neighbours along the Bench have followed his example, as have some of the people in my protection team. They are all to be commended for raising awareness about a real killer that we need to do more about.

Q5. [25838] **Mr Jeffrey M. Donaldson** (Lagan Valley) (DUP): I join the Prime Minister in paying tribute to Guardsman Christopher Davies who, sadly, lost his life in Afghanistan. The Prime Minister will be aware of problems with post-traumatic stress disorder suffered by many service personnel and veterans across the United Kingdom. Will he now give a commitment to implement in full the report prepared by his hon. Friend the Member for South West Wiltshire (Dr Murrison), which makes key recommendations to help our veterans and service personnel with that dreadful condition?

The Prime Minister: I thank the right hon. Gentleman for his question. We are implementing in full the report of my hon. Friend the Member for South West Wiltshire (Dr Murrison). He did an excellent report, particularly about mental health issues and how we need to invest in them, both in the forces and in our NHS, and we are carrying out those recommendations.

Dr Julian Huppert (Cambridge) (LD): Can the Prime Minister inform the House how much foreign students contribute to the economy, how many jobs they create by being here, and how much their fees support funding for higher education for domestic students?

The Prime Minister: Foreign students make a big contribution to British universities and to the British economy, but the Home Secretary and I went to Heathrow yesterday to talk with UK Border Agency staff, and the one thing that they all raised was the problem of bogus students coming to the UK—people arriving at our borders who have a visa and who are claiming to go and do an MA or a BA, but who cannot speak English. The problem is that Border Agency staff cannot stop them, because they already have the visa. I am convinced, as I have said at the Dispatch Box before, that we can control immigration properly by cutting down on bogus students and people coming here without a reason, while helping the UK economy at the same time.

Q6. [25839] **Yasmin Qureshi** (Bolton South East) (Lab): Does the Prime Minister agree that the £162 million sports budget is a price worth paying for the health and fitness of our schoolchildren?

The Prime Minister: Everyone wants to see an expansion of competitive sport in schools, and I feel absolutely passionately about the issue. The fact is the approach we have taken for the last decade has meant that only one in five—one in five; that is pathetic—of our children is playing competitive sport against other schools. There is a choice in politics: to go on with an approach that is failing, or to make a change and do it differently. *[Interruption.]* They are shouting on the Opposition Front Bench, because they know that their record was one of lots of money spent but complete failure.

Q7. [25840] **Gavin Williamson** (South Staffordshire) (Con): The issue of workplace bullying is highlighted in an article in the *New Statesman* this week. It states:

"Ed Miliband's team are terrified of Ed Balls and Yvette. They think they're going to…kill him…because they"—

Mr Speaker: Order. The hon. Gentleman will resume his seat immediately. That question has got nothing whatsoever to do with Government policy.

Q8. [25841] **Mr Dennis Skinner** (Bolsover) (Lab): If the Prime Minister is so keen to put a cap on immigration, why did he earlier state that he gave his 100% backing to Turkey joining the EU? Surely he knows that most immigration to Britain comes from the EU. Does he not think that there is a stench of hypocrisy about the Government's immigration policy?

The Prime Minister: I think the hon. Gentleman is wrong, for a very clear reason. If we look at immigration, we find that migration between European countries and the UK is broadly in balance. The excess immigration all comes from outside the EU. The current figures—under the last Government—are for net migration into the UK of 200,000 a year, and that is 2 million people across a decade. In our view, that is too high, it needs to be cut and a cap is a very important part of that.

Q9. [25842] **Jonathan Lord** (Woking) (Con): What assessment has the Prime Minister made of Len McCluskey's statement that

"there is no such thing as an irresponsible strike"?

The Prime Minister: I think he is completely and utterly wrong, and the world is in a slightly mad place when someone who supports Militant Tendency can be elected to the largest union in the country on 17% of the vote. Indeed, that same union basically picks the leader of the Labour party and pays all his bills. It is completely wrong, and if the right hon. Member for Doncaster North (Edward Miliband) is going to be a reformer he had better do something about it.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Despite being slightly ahead of the curve in the moustache stakes, may I take the Prime Minister back to an exchange that we had in June? Further to the question from the right hon. Member for Lagan Valley (Mr Donaldson), much more needs to be done to help our troops who return from conflict. I know the Prime Minister is very concerned about that. I am very concerned about it, and I hope that more will be done. In particular, there are so many people now returning who become homeless, and medical services are necessary, so will he please commit himself to making an urgent statement on the matter before long? Time is running on.

The Prime Minister: The Government are very closely focused on that issue. It is not just about medical services, as the hon. Gentleman says; it is also about long-term mental health needs. In the US, veterans are contacted every single year to check up on their mental health status. When we look at the mental health problems that came out of the Falklands war, where, tragically, more people killed themselves after the Falklands, it is estimated, than died in the war, we find that we are storing up a huge problem for the future because of the incredibly active service that people have seen in both Iraq and Afghanistan. We need to prepare for the situation now. The Government are fully aware of that; I am very aware of it myself. I am not sure about a parliamentary statement, but we do want to legislate on the military covenant and then make sure that it goes through everything that the Government do.

Q10. [25843] **Charlie Elphicke** (Dover) (Con): Does the Prime Minister, like the shadow Chancellor, believe that the 50p tax rate should be temporary?

The Prime Minister: Yes, I agree with the shadow Chancellor. The interesting question is whether he agrees with the Leader of the Opposition. The Leader of the Opposition has two policies on tax, the graduate tax and the 50p tax, and his shadow Chancellor does not agree with either.

Q11. [25844] **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): Before the election, the Prime Minister pledged not to cut education maintenance allowance and the Deputy Prime Minister pledged to vote against tuition fees. Can the Prime Minister now explain to my 17-year-old constituent Lauren Bedford the difference between a pledge and a promise?

The Prime Minister: What I would say to the hon. Lady's constituent is that we inherited a complete mess from the previous Government. We have a choice—we can deal with it or we can end up in a situation like in Ireland and other countries of not just cutting education maintenance allowance but cutting everything. We are going to replace it with something that is more targeted on those who need the money to stay on at school—that is in the best interests of her constituents and everyone else.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): Stepping Stones Nigeria is a children's-based charity in Lancaster. It works with its Nigerian partners to rescue children who are accused of witchcraft and often, if they were left, would be persecuted or killed, and have recently been subject to a great deal of intimidation. Will my right hon. Friend ask the Foreign and Commonwealth Office to do whatever it can to assist the children's-based charities in Nigeria?

The Prime Minister: We have very close relations with Nigeria, and I am sure that the Foreign Office will be interested in what my hon. Friend has to say. The charity to which he refers does an extremely important job.

Q12. [25845] **Mr William Bain** (Glasgow North East) (Lab): Is the Prime Minister aware that in Four Hills nursing home in Ruchill in my constituency there are some of the 60,000 people across this country whose quality of life will be shattered because of his Government's decision to remove the mobility component of disability living allowance? How can he possibly justify this cruel

cut of either £18.95 per week or £49.85 per week to some of the most decent people who have paid their taxes all their lives?

The Prime Minister: It is important that we make sure that disability living allowance is paid consistently to people who are in hospital and to people who are in care homes, and that is what we are doing. As I understand it, the Labour Front Bench supports this change—yes? Nod? On a previous occasion, the leader of the Labour party said that he supported our changes to disability living allowance—or is this another area where it is back to the blank sheet of paper?

Mark Pawsey (Rugby) (Con): Now that the Government have brought forward details of their new homes bonus, will the Prime Minister join me in applauding councils such as Rugby borough council, which is proceeding with proposals for substantial development?

The Prime Minister: I do think this is important. For years, we were spending lots of money on housing but not building any houses—why? Because there was no incentive for local authorities and few incentives for house builders. We are changing that so that even though the resources are limited, a lot more house building will go ahead.

Q13. [25846] **Mr George Howarth** (Knowsley) (Lab): I am sure that the Prime Minister will agree that education is a powerful agent for social mobility. While I welcome in principle the pupil premium, emerging details seem to suggest that taken together with the withdrawal of the education maintenance allowance, it could deter some young people from staying on in education. Will he agree to meet a delegation of experts to address that very specific problem?

The Prime Minister: I know that the right hon. Gentleman takes this extremely seriously, as do I. I have seen the letter that he has written to the Education Secretary, who I am sure would be happy to meet him to discuss this. Basically, what is happening is that we are seeing per-pupil funding that is not being cut, and on top of that we are going to see the £2.5 billion of the pupil premium. That will mean overall that the education budget rises by £3.6 billion across this Parliament. That is a substantial funding increase. I am sure that the pupil premium will have the positive effect that the right hon. Gentleman wants and that I want, but I am also sure that he can look at the detail of it with the Education Secretary.

Q14. [25847] **Mr Mark Spencer** (Sherwood) (Con): I have recently been meeting many charities in my constituency, such as Rumbles catering project and Indigo Children, many of which have expressed concern at the reduction of local authority funding and the time lag between the opening of the big society bank. Can the Prime Minister assure me that that big fund will be quick and easy for those charities to access?

The Prime Minister: Yes, I can. The point that my hon. Friend raises is exactly why we are introducing a £100 million transition fund to help charities that might be affected by difficult decisions by local authorities to help them through that time. That is exactly why we are doing it, and I expect that we would have the support of the whole House in doing so.

Mrs Siân C. James (Swansea East) (Lab): Will the Prime Minister explain to me how the closure of the Identity and Passport Service information office in my constituency will enhance safety and security in this country? It is possibly going to be replaced by a risk-assessment system, which surely cannot be right. It surely cannot be safe and secure.

The Prime Minister: I am very happy to look into the individual case that the hon. Lady mentions and write to her, but the truth is that we are having to make savings right across the public sector, which means big changes in the way that we do things. In each case, we should be looking at ensuring that the effect that we want is delivered by the money that we spend. We have to do that across the public sector, and any Government would have to do that, but I am happy to take up her individual case.

Q15. [25848] **Andrew Bingham** (High Peak) (Con): The residents of Glossop and Tintwistle in my constituency have suffered for years due to excessive traffic. As we try to get the best we can from the meagre resources left by the Labour party—*[Interruption.]* What words can the Prime Minister offer as encouragement to those residents of the possibility of a bypass in the future? Will he or a Minister visit Tintwistle with me to see the situation?

The Prime Minister: The Opposition do not like to hear about the mess they left this country in. Just in case they are in any doubt, we will be talking about the mess they have made not in five months' time, but in five years' time too.

On transport expenditure, we are spending £30 billion on transport investment. That is more than the Labour party planned, and it means that there will be schemes that can go ahead. I wish my hon. Friend well with the work that he will be doing with the Department for Transport.

Yvonne Fovargue (Makerfield) (Lab): It is now nearly four years since the collapse of Farepak left hundreds of people in Makerfield and thousands of people throughout the country without a Christmas. They have not yet received one penny in compensation or a satisfactory explanation. Will the Prime Minister meet me to bring this sorry affair to a conclusion as soon as possible?

The Prime Minister: I well remember the case the hon. Lady mentions, and it happened at a time that brought misery to many families who had saved and who were expecting to have a good Christmas, and did not get it. It was a particularly tragic case. I will sort out for her to have a meeting with the Department for Business, Innovation and Skills to see whether, as she says, we can bring this sorry episode to a close.

Several hon. Members *rose*—

Mr Speaker: Order. I call Secretary Michael Gove to make a statement.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): On a point of order, Mr Speaker. *[Interruption.]*

Mr Speaker: Order. First, I say to the right hon. Gentleman that points of order come after the statement, and secondly, I appeal to right hon. and hon. Members who are leaving the Chamber to do so quickly and quietly, so that we can hear the statement from Mr Secretary Gove.

Schools White Paper

12.31 pm

The Secretary of State for Education (Michael Gove): With permission, Mr Speaker, I should like to a make a statement to accompany today's publication of the coalition Government's White Paper on schools.

England is fortunate that we have so many great schools, so many superb teachers and so many outstanding head teachers. Their achievements deserve to be celebrated, and I was delighted that last week, the Prime Minister and I were able to meet hundreds of the very best school leaders in Downing street to congratulate them on their work and welcome their commitment to the academy programme.

We are fortunate indeed that our schools system has so many important strengths, but our commitment to making opportunity more equal means that we cannot shy away from confronting weaknesses. We are failing to keep pace with the world's best-performing education nations. In the past 10 years we have slipped behind other nations, going from fourth in the world for science to 14th, seventh in the world for literacy to 17th and eighth in the world for mathematics to 24th.

At the same time, the gulf between the opportunities available to the rich and the chances given to the poor has grown wider. The gap between the A-level performance of children in independent schools and state schools doubled under Labour, and in the last year for which we have figures, out of a population of 80,000 children eligible for free school meals, just 40 made it to Oxford and Cambridge, a drop from the previous year, when just 45 made it. Social mobility went backwards under Labour, and it is the mission of this coalition Government to reverse that unhappy trend and to make opportunity more equal. Under this Government, we can become an aspiration nation once more.

If we are to make the most of the potential of every child, we need to learn from those countries that outperform us educationally and have more equal societies. This White Paper does just that. It takes the best ideas from the highest-performing education nations and applies them to our own circumstances.

The single most important lesson, which is reflected in the title of our White Paper, is the importance of teaching. The best schools systems recruit the best people to teach, train them intensively in the craft of teaching, continue to develop them as professionals throughout their career, groom natural leaders for headship positions and give great heads the chance to make a difference. That is why we will reform and improve teacher training by establishing a new generation of teaching schools, which will be based on the model of teaching hospitals. Outstanding schools will be showcases for the best in teaching practice. We will also invest in doubling the number of top graduates who enter teaching through Teach First, and will create a new programme, Teach Next, to attract into teaching high performers from other professions. We will subsidise graduates in strategic subjects such as science and maths to enter teaching and create a new troops-to-teachers programme to attract natural leaders from the armed forces into the classroom.

Because we know that the biggest barrier to recruiting and retaining good people in teaching is poor pupil behaviour, we will take decisive action on discipline. Unless order is maintained in the classroom, teachers cannot teach and children cannot learn, so we will make it easier for teachers to impose detentions on disruptive pupils by abolishing the rule that requires 24 hours' notice before a detention is given.

We will give teachers stronger powers to search students if they bring items into school and are intent on disruption. We will give teachers clearer rules on the use of force and we will protect them from false allegations made by disruptive and vindictive pupils if they act to keep order.

We will support schools to introduce traditional blazer-and-tie uniforms, prefects and house systems. We will prioritise action to tackle bullying, especially racist and homophobic bullying, and we will make it easier for schools to exclude disruptive children without the fear of seeing excluded children reinstated over their heads. We will improve education for troubled young people by bringing in new organisations to run alternative provision for excluded pupils.

By improving behaviour, we can then free teachers to raise standards. We will reform our national curriculum so that it is a benchmark we can use to measure ourselves against the world's best school systems instead of a straitjacket that stifles the creativity of our best teachers. We will slim down a curriculum that has become overloaded, over-prescriptive and over-bureaucratic by stripping out unnecessary clutter and simply specifying the core knowledge in strategic subjects that every child should know at each key stage. That will give great teachers more freedom to innovate and to inspire. We will support their drive to raise standards for all by reforming our exams. We will reform assessment in primary schools to reduce teaching to the test and we will make GCSEs more rigorous by stripping out modules. We will make GCSE performance tables more aspirational by judging schools on how well all students do not just in English and maths but in science, modern languages and the humanities, such as history and geography.

We will also reverse the previous Government's decision to downgrade the teaching of proper English by restoring the recognition of spelling, punctuation and grammar in GCSEs. Because we know that it is great teaching and great teachers who improve schools, we will reduce the bureaucracy that holds them back and put teachers at the heart of school improvement.

We will double the number of national leaders of education—outstanding head teachers with a mission to turn round underperforming schools. We will raise the minimum standards expected of all schools, so primaries and secondaries that fail to get students to an acceptable level and fail to have students making decent progress will be eligible for intervention. We will make £110 million available to create a new endowment fund to turn these schools round, and we will introduce a reward scheme to make additional incentive payments available for great heads who turn round underperforming schools.

In our drive to improve all schools, local authorities will be our indispensable partners. They will play a new role as parents champion, making admissions fairer, so parents choose schools rather than schools choosing parents. They will act as a strong voice for the vulnerable

[Michael Gove]

by ensuring that excluded children and those with special needs are properly supported, and they will be energetic champions of educational excellence.

As more and more schools become increasingly autonomous, local authorities will increasingly step back from management and, instead, provide focused leadership. They will challenge underperformance, blow the whistle on weak schools and commission new provision—whether it be from other high-performing schools, academy sponsors or free school promoters.

The need for thoroughgoing reform is urgent. Our competitors are all accelerating the pace of their education reforms. From America to Singapore, New Zealand to Hong Kong, schools are being granted greater freedom, great teachers are being given more responsibilities, and exams are being made more rigorous. We cannot afford to be left behind.

In the last three years of the previous Government, reform went into reverse. Schools lost freedoms, the curriculum lost rigour and Labour lost its way. Now, under this coalition Government, we are once more travelling in the same direction as the most ambitious and progressive nations. Schools spending is rising, with more money for the poorest through the pupil premium; education reform is accelerating, with one new academy created every working day; and standards are being driven up, with teachers now supported to excel as never before.

The programme we outline today affirms the importance of teaching at the heart of our mission to make opportunity more equal. There is no profession more noble, no calling more vital and no vocation more admirable than teaching. This White Paper gives us the opportunity to become the world's leading education nation, and I commend it to the House.

Andy Burnham (Leigh) (Lab): May I thank the right hon. Gentleman for his statement and for his courtesy in allowing me advance sight of the White Paper? It is just a shame that that happened 10 days after the *Financial Times* and the rest of the nation's media were given such advance sight, and that Parliament was the last to know. We were promised new politics, and it is time the Government lived up to their words.

I apply two clear tests to any education policy. First, will it help every school to be a good school? Secondly, will it help every child to be the best that they can be? While we welcome elements of this White Paper, I believe that it fails those fundamental tests. It is a plan for some children, not all children. The right hon. Gentleman will need to work hard to explain how his plan will not create a new generation of failing schools.

Let me say where I think the Secretary of State is moving in the right direction. We welcome the retention of a floor target for secondary schools and his apparent change of heart on the role of targets in raising standards—building on Labour's successful national challenge programme. We welcome the expansion of Teach First, which we championed in government. Labour's legacy, according to Ofsted, was

"the best generation of teachers ever".

We share his aim to have the best in the world. We also support anonymity for teachers who face accusations from pupils and some of his moves on discipline.

However, the Secretary of State's overall drive is towards a two-tier education system. I support his focus on maths, English and science, where take-up doubled since 2004, but by making the entire focus five academic subjects, is he encouraging schools to focus only on those children who have a chance of achieving that particular batch of GCSEs? Is not there a huge danger that he is cementing the divide between academic and vocational qualifications, which educational professionals have worked so hard to remove?

The risks of the Secretary of State's English baccalaureate becoming the gold standard by which schools are judged have been highlighted by the Institute for Public Policy Research, which states:

"Schools will have an incentive to focus extra resources on children likely to do well in those subjects, rather than on children receiving free school meals."

Is not there a real risk that his pupil premium will not be spent on the children for whom it is intended? At a time when we all need to focus more on the 50% of young people who do not plan to go to university, is it not the case that he has very little to say to them today? His message is that a vocational route is second best, and that is unacceptable.

Is there not a real danger that the combined effects of the Secretary of State's announcements today will be to create a new generation of failing schools? Is it not the case that some improving schools will see themselves plummet down the league tables, damaging morale and risking throwing progress into reverse? Many of those are the same schools that suffered from his decisions on Building Schools for the Future. What hope can he give them today of extra support to raise standards for all their children, both academic and vocational?

The Secretary of State wants to make it easier for schools to exclude children, but who will have the responsibility of helping schools to pick up the pieces? Why is he ending the independent appeals panel for exclusions, which ensures fairness across a local education community? He has rightly placed a strong emphasis on teacher training, but is he not at risk of ignoring the advice of his experts? Ofsted said yesterday:

"There was more outstanding initial teacher education delivered by higher education-led partnerships than by school-centred initial teacher training partnerships and employment-based routes."

Why, we might ask, is the right hon. Gentleman planning to end university-led teacher training for a schools-based model? Can he assure the House that that will not undermine the quality of teacher training and that it is not a move simply motivated by cutting costs? But is there not a much bigger contradiction? Today he lays down prescriptive standards for teaching training, but his message just days ago to free schools and academies was that they were free to employ unqualified teachers. Is he not mixing his messages and trying to have it both ways?

All this exposes a major flaw in the right hon. Gentleman's thinking, which is repeated throughout the White Paper. Today he talks a good game on standards; on any other day he says to schools that they will have the freedom not to follow them. Which is it? He sounds confused. That is because his real focus is on potentially damaging structural reforms and he is prioritising competition above collaboration in the schools system. His talk on standards is undermined by his ideological obsession with structures. In his rush to reform, he is

making mistakes that will damage our education system. He seems not to have learned from the mayhem that he caused with Building Schools for the Future. At the most crucial moment for sport in this country's history, on the eve of a home Olympics, why is he abandoning a school sport system that th.. Australians have called "world-leading"? Does that not embody his approach to education: competitive sport for the elite and forget about the rest?

The right hon. Gentleman briefs newspapers that he will abandon the local authority role in school funding, but then tells the BBC the opposite. Did he rediscover localism last week, or did he cave in following a furious backlash from his friends in local government? Can he tell us today what role he envisages for local government over the long term? Will it have any powers of intervention in respect of free schools and academies? Is not his biggest mistake of all that he tells schools that their budgets are protected—thereby raising expectations—by continuing to mis-sell his pupil premium policy? It is a con: it is not additional, as the Prime Minister said today. Is it not the case that when schools receive their budgets in a couple of weeks, many in the most deprived areas will be the biggest losers and will simply not have the means to deliver on his fancy rhetoric today?

In conclusion, the right hon. Gentleman brings a lethal mix of incompetence and ideology to this crucial brief. Just because he believes in the teaching of history, it does not mean that he has to live in the past. He is in danger of bringing forward a plan for a fragmented and divided education system of winners and losers. He is in danger of creating a lost generation as a result of his elitist education system. He sits in his ivory tower, with nothing to say to young people who do not plan to go to university or whose hope is being cut by his Government—vocational studies downgraded; apprenticeships for young people frozen; the education maintenance allowance scrapped. He has a plan for some schools and some children, not for all schools and all children, and that is the fundamental flaw of his White Paper.

Michael Gove: I thank the shadow Secretary of State for that performance. Obviously at St Aelred's in Lancashire, where he was educated, drama was very well taught.

May I thank the right hon. Gentleman on those areas where he agrees? I thank him for his support for ensuring a consensus in the House on the importance of floor standards. It is important that we also recognise that, as well as having clear levels of attainment, we will be judging schools on how well all children progress. The one change that we will be making to the way in which the national challenge operated under the previous Government is that schools in challenging circumstances, with pupils from difficult backgrounds, will be given additional understanding and support, and will be judged on how they make progress. That is a clear difference from the record under the previous Government, when one rule was applied inflexibly. We are applying it more sensitively.

May I also thank the right hon. Gentleman for his support for the expansion of Teach First and for the statesmanlike way in which he approached the issue of discipline and granting teachers anonymity? I look forward to working with him and his Front-Bench colleagues on bringing forward an education Bill that makes good on those promises.

However, may I express my surprise that the right hon. Gentleman thinks that children who are eligible for free school meals are unlikely to do well in science, language or history GCSEs? He specifically said that schools that concentrate on raising attainment in those subjects will not be spending money on children from poorer homes. Has that not been precisely the problem in our education system for three generations? Is not the automatic assumption that because someone is poor they cannot aspire, precisely the problem that we need reform to overcome? Is not the soft bigotry of low expectations alive and well, and beating in his heart? Is it not the case that when it comes to improving vocational education, it is this Government who are taking action?

The right hon. Gentleman asked us what we were doing, but he had three hours to read the White Paper. I thought he would have noticed that we are increasing the number of technical schools and university technical colleges; I thought he would have noticed that we are increasing the number of studio schools, which deal specifically with vocational education; I thought he would have noticed that we have commissioned Professor Alison Wolf, the world leader on the future of vocational qualifications, to overhaul the ramshackle system that we inherited; I thought he would have noticed that thanks to the Minister for Further Education, Skills and Lifelong Learning we are increasing the number of apprenticeships by 75,000. Vocational education is undergoing a renaissance under this Government, and it is typically grudging of the Labour party not to recognise that.

The right hon. Gentleman asks what we are doing for children who are excluded. Again, I thought he would have seen in the White Paper not only that we are trialling a new proposal whereby schools take responsibility for the children they exclude but that he would have noticed in the White Paper that we are deliberately commissioning extra, additional provision for excluded children from a wider range of organisations, and we are giving pupil referral units the chance to become academies, the chance to acquire appropriate heads, and the chance to turn round the lives of desperate children who need additional help. We have heard not a single word from him about what we can do to help those children, and not a single word of praise for the dedicated people who do so much to help them.

The right hon. Gentleman asked me about competition rather than collaboration. Everywhere in the White Paper collaboration is incentivised, with more money for great head teachers who want to work with underperforming schools, more opportunities for federations, trusts and academies to help underperforming schools, and a culture of collaboration entrenched at its heart. But there is one area where I believe in more competition—I make no apology for it. I believe in more competition in team sports. It is wrong that after expenditure of more than £2 billion, only one child in five took part in regular competitive team sports under Labour. That melancholy trend will be reversed, thanks to the Government.

The right hon. Gentleman said that our policy is for some schools, not all. I know that he, by his own estimation, went to an ordinary comprehensive in Lancashire.

Andy Burnham: Merseyside.

Michael Gove: I prefer the old counties. The good news about that comprehensive in Merseyside is that St Aelred's, where the right hon. Gentleman received such a great education, has this week applied to the Department for Education to embrace academy status. It is joining more than 340 schools that recognise the importance of academy freedoms. The people who taught him so well are now embracing coalition policies. Is it not about time he did as well?

Mr Speaker: In the light of the performance thus far from both the Secretary of State and the shadow Secretary of State, I must remind the House that this is not a debate; it is a statement in which the Government set out their policy, and hon. Members question the Minister on that policy. That is the situation, and we must get back to it.

Dan Rogerson (North Cornwall) (LD): I welcome the Secretary of State's announcement that there will be further cuts in bureaucracy for schools. The Government have already started that, and it has been welcomed by head teachers. When it comes to exclusion, he talked about trialling ways of ensuring that schools retain responsibility for excluded pupils, which I also welcome. Will there be further recognition for schools that take in excluded pupils from other places to ensure that when they are assessed and the league tables are published, they receive recognition of their extra work?

Michael Gove: My hon. Friend is a passionate supporter of better care for children who have been excluded, and our proposal today will mean that any school that excludes a child will carry on with responsibility for funding its provision and for the attainment of that child. Head teachers will now have a direct stake in ensuring that every child who arrives at their schools is well treated throughout their school career. Schools that take excluded children also need recognition, and I will explore with my hon. Friend how to ensure that they receive the support and recognition that they deserve.

Several hon. Members *rose*—

Mr Speaker: Order. Understandably, there is huge interest in this subject, so brevity from Back-Bench and Front-Bench Members alike is vital if we are to make progress.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Secretary of State agree that it profits no one to pretend that there is a great divide between political parties when he makes a statement such as this? I congratulate him on taking on board many of the former Select Committee's recommendations on teaching, standards and much else, but does he not share with previous Labour Front Benchers some guilt that we never addressed the problems that Tomlinson highlighted? Does the right hon. Gentleman agree that he has not addressed them, and that we funked them?

Michael Gove: I am grateful for the hon. Gentleman's typically statesmanlike words. I agree that there is significant consensus across the parties on the way forward. When he was chairman of the Select Committee he did a great job of pioneering ideas. It is right to look at Mike Tomlinson's arguments and to ensure that all children have a properly broad education. Our English baccalaureate will ensure that all children, whatever their background, have access to the best that has been thought and written academically, but we will also ensure that vocational qualifications that blend with the academic are of the highest quality. That is why we commissioned Alison Wolf, and why the Minister for Further Education, Skills and Lifelong Learning has done so much with the launch of his skills strategy last week to raise the prestige and esteem of vocational learning.

Mr Graham Stuart (Beverley and Holderness) (Con): I believe that there can be consensus in the House, but it must be based on an acceptance that the present position is not good enough, that we must have higher aspirations for this country, that we must recognise that we have fallen behind our international competitors, and that we have seen the gap between rich and poor widen unacceptably.

On international comparison, will my right hon. Friend explain how the Select Committee will be able to map and track that? Will there be a role for Ofsted—on which we are doing an inquiry—in providing information and checking the Government's progress?

Mr Speaker: I think we have the gist of the question.

Michael Gove: I thank my hon. Friend, the Chairman of the Select Committee. There is a role for the Select Committee and there is a role for Ofsted. The White Paper specifically states that we want Ofqual, the exams regulator, to benchmark our exams against the world's best. The more data we have, the better. The White Paper also says that we will ensure that a sufficient number of schools take part in the international comparisons run by the OECD, the Trends in International Mathematics and Science Study and other organisations. I am open to all ways of ensuring that we rigorously benchmark the performance of our schools and indeed our Schools Ministers.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): May I welcome those aspects of the White Paper that were directly cribbed from initiatives brought in from 1997? How does the Secretary of State justify the contradiction of being against targets but toughening them and introducing new ones, less prescription but more prescription, less central direction but more top-down diktats, and more freedom for some schools but direction and restriction for others? What form of geometry did he learn to square such circles?

Michael Gove: I am very grateful to the right hon. Gentleman not just for his question, but for his achievements as Secretary of State for Education. I have said it before, and I will repeat that he was an outstanding Education Secretary. One reason why he was so good was that he recognised that there is a time for central Government to play a role, and a time for them to let go. When he was Education Secretary, it was vital to tighten things up, particularly at the bottom, but, over time, he recognised that as the education system improved, we needed to let go more and more. We are saying that there should be a relentless focus on underperformance. We need tough standards for schools that are failing, but for those that can help there is, as Joel Klein said, a chance to liberate greatness rather than mandate it.

Conor Burns (Bournemouth West) (Con): What plans does my right hon. Friend have to ensure that when teachers are training more time is spent in the classroom than in the lecture theatre?

Michael Gove: I am grateful to my hon. Friend. The example of teaching schools can reinforce the already high standards in many new entrants to the profession. We know that the best teachers are those who are intellectually capable, and those who learn from others. The best way to improve as a teacher is to observe great teachers and to be observed by great teachers. That is why we are moving towards a system of teaching schools, which replicates the virtues of teaching hospitals.

Liz Kendall (Leicester West) (Lab): The Secretary of State has said today, as he has many times, that social mobility went backwards under Labour. Will he clarify whether that comment is based on the latest evidence from the London School of Economics in 2005, which found that social mobility was lower among those born in 1970 compared with 1958? If that is so, will he explain how he blames Labour for the decline in social mobility among people who were 27 when the previous Government were elected?

Michael Gove: That was a beautifully read question. We can see why the hon. Lady was such an effective special adviser to the former Deputy Prime Minister. I referred in my statement to one of the most telling statistics of all: the fact that, among our very poorest children—those who were eligible for free school meals—who had their entire education under Labour, fewer are now going to Oxford or Cambridge, where I believe the hon. Lady was fortunate enough to be educated. Those children are, I am afraid, the unhappy victims of a Labour education programme which, despite the efforts of Members such as the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), did not do enough to extend opportunity to the very poorest. When only 40 of our poorest children make it to Oxbridge—fewer than from Westminster, Eton or Winchester—no one can say that social mobility is right in this country.

Several hon. Members *rose—*

Mr Speaker: It is always a pleasure and a privilege for me to listen to the Secretary of State, but I am afraid we cannot have an essay in answer to every question. There simply is not time. I enjoy the content of his answers and his mellifluous tones, but there is not time. Shorter, please.

George Eustice (Camborne and Redruth) (Con): I welcome the emphasis that the Secretary of State has placed on science in schools. Does he agree that we need to do much more to inform pupils who are about to select their GCSE subjects of the value that science can add to their career? Does he also agree that we need to do more to inspire them about the sciences? I would like to commend to him the work of the Camborne science and community college, in partnerships with schools in Japan and Singapore. Perhaps he would like to come and see some of that work.

Michael Gove: My hon. Friend is absolutely right, and I will.

Pat Glass (North West Durham) (Lab): Does the Secretary of State agree that any reform should be evidence based, and that anything else is pure ideology? In the light of the chief inspector of schools' report published yesterday, which showed clearly that university-led initial teacher training was twice as likely to be good or outstanding as schools-led initial teacher training, will he now look at that matter again?

Michael Gove: The hon. Lady has been an impressive lead Member for children's services and education in the past, and she speaks with authority. We are publishing an evidence paper to go alongside the White Paper—the first time that has happened—which will contain the evidence base for everything that we are doing. The expansion of teaching schools is based on research by the National Federation for Educational Research, which showed that they are outstanding in the work that they do.

Annette Brooke (Mid Dorset and North Poole) (LD): I welcome many of the freedoms that are now being given to schools, but will the Secretary of State clarify one point for me? If a group of parents requested that a Sport for All programme should be continued, would the head teacher have the funds in his budget to continue such a programme?

Michael Gove: I absolutely believe so, as a result of the real-terms increase in spending on education. Critically, by removing ring fences and giving heads more control over how they spend their money, the priorities that are dear to all of us, including sports, can be pursued.

Andrew Gwynne (Denton and Reddish) (Lab): In his statement, the Secretary of State mentioned the changing role of the local education authority. Can he explain how he would deal with reluctant LEAs such as Liberal Democrat-controlled Stockport council, which is holding schools such as Reddish Vale technology college back from grasping his new agenda?

Michael Gove: I am very interested that Reddish Vale is keen to become an academy and to embrace the future, and I am grateful for the hon. Gentleman's support. There is a huge variety of views across local government about the future of education, but I am encouraged that some of the most progressive and imaginative figures in local government are Liberal Democrat councillors. In particular, I would like to pay tribute to Gerald Vernon-Jackson in Portsmouth and to David Bellotti in Bath and North East Somerset, among many others. I will visit Stockport and have a word with the Liberal Democrat councillors there, and I am sure that I will leave better informed and happier about the world.

Richard Fuller (Bedford) (Con): There has been a teacher training institution in Bedford since 1882, and my right hon. Friend will be aware of the great work that the university of Bedfordshire does on teacher training for small schools in the eastern region, and on supporting further and continuing education for teachers. Can my right hon. Friend assure me that his proposals will reinforce, and not undermine, the excellent work being done by such institutions?

Michael Gove: Absolutely. We are going to say to all higher education institutions that are currently involved in the provision of initial teacher training that we want

[Michael Gove]

them to open lab schools, in the same way that such schools have been developed in Finland and the United States. Those schools are run by education departments and they act as showcases for the best in teacher training, and I believe that education departments here can grasp this opportunity. We are working with the Training and Development Agency to ensure that they have the resources to do so.

Mark Durkan (Foyle) (SDLP): The Minister said in his statement that he wanted to bring back an emphasis on punctuation. However, his 10-page statement contains no more than 16 full stops. In the middle of the statement, we have to read nearly 300 words before we find a full stop, and at the end, there are more than 300 words before we find a full stop. How would the statement be marked under his system?

Michael Gove: I almost wish that the hon. Gentleman had not put a question mark at the end of that. All I can say is that my approach as a Minister has been to eat, shoot and leave when it comes to making a statement such as this.

Mr Edward Timpson (Crewe and Nantwich) (Con): I welcome the White Paper, but my right hon. Friend will be aware that the educational attainment of looked-after children remains woefully low. Will he meet me and other colleagues who have a particular passion for this subject, to discuss how, as we take the White Paper forward, we can come up with better support and better measures of the progression of looked-after children through education, to ensure that their outcomes in education, and in life in general, are vastly improved?

Michael Gove: I could not agree more with my hon. Friend. It is vital that we ensure that the pupil premium follows looked-after children as well. We all need to recognise that care leavers need not only support after they leave school but focused interventions while they are at school. We will be doing everything possible in that regard, and I would be delighted to meet my hon. Friend to discuss this.

Lyn Brown (West Ham) (Lab): I represent one of the poorest boroughs in the country, and my head teachers are afraid that the introduction of the pupil premium will mean that they receive less money. Are they right to be afraid?

Michael Gove: The short answer is no. I am under the impression that Newham is an outer London borough and it will definitely benefit from the additional resources of the pupil premium. If it is in inner London, it will definitely benefit as well. The pupil premium will go— *[Interruption.]* Everyone will benefit, because there is more money overall.

Iain Stewart (Milton Keynes South) (Con): I warmly welcome my right hon. Friend's announcement that he will prioritise action to tackle homophobic bullying, which terrorises many vulnerable young gay men and women. Will he set out his plans for this in a little more detail?

Michael Gove: I am delighted to do so. Homophobic bullying is on the rise in our schools, and homophobic terms are increasingly used towards gay students and straight students in a way that seeks to undermine the tolerance that we have built up over the past 15 years. We therefore need to work with organisations such as Stonewall and the Anti-Bullying Alliance, and to shine the light on schools such as St George's Church of England school, which has done a fantastic job in tackling homophobic bullying. This requires work not only by school leaders but by political leaders and all of society to tackle a growing prejudice that is scarring our tolerant society.

Helen Jones (Warrington North) (Lab): Before the Secretary of State takes us on a headlong rush back to the 1950s, will he bear in mind that good teaching requires not only practical experience but an academic knowledge of how children learn? Can he tell us how much funding will be available to his new teacher training schools to ensure that students get that academic training? Will the money go directly to the schools, or will it be placed in the universities?

Michael Gove: More money will be available for teaching schools, and money will also be available for higher education institutions. I agree that it is important to recognise that teaching combines both IQ and EQ—emotional intelligence. Teachers need to have a grasp of their subject, but they also need to like children. Increasingly, I have found that it is through applying themselves to the craft of teaching in the presence of great teachers that they truly soar and inspire.

Mary Macleod (Brentford and Isleworth) (Con): May I congratulate my right hon. Friend on dealing with the overloaded, over-prescriptive and over-bureaucratic method of teaching that the previous Government allowed to be established? What is he doing to get rid of further red tape, as well as getting rid of the 4,000 pages of direction that the previous Government gave to all our teachers?

Michael Gove: I am grateful to my hon. Friend. We are removing bureaucracy at every point. Not only are we slimming down the national curriculum, but we have got rid of the self-evaluation form, which could run to more than 100 pages. We have also got rid of financial management standards in schools, which was another burden that head teachers said that they did not want. We are doing this because we believe in trusting heads to do their best for the children whom it is their mission to educate.

Nic Dakin (Scunthorpe) (Lab): I fear that the Secretary of State knows as much about schools as he does about punctuation. Will he look again at the evidence that was given to the Select Committee about the 24-hour notice provision? Great teachers and great head teachers have given evidence, and they have consistently said that the removal of that provision would have a negative effect and risk safeguarding issues. No sensible head teacher would go down that route anyway.

Michael Gove: A great many sensible teachers and head teachers have applauded precisely that move. There is a philosophical difference between the hon. Gentleman's approach and my approach. When I say that we are no

longer going to require something, that does not mean that we are saying to everyone, "Under no circumstances do it." We believe in something called freedom, which means that it is up to individual teachers or head teachers to decide for themselves. It is called "treating people like adults."

Nicky Morgan (Loughborough) (Con): I welcome the Secretary of State's emphasis on raising standards. In Leicestershire, however, we have a particular issue because we are one of the last counties to retain the middle school system. Local head teachers are telling me that this is holding back standards, particularly in GCSE results. Will the Secretary of State or one of his Ministers meet me to discuss how best to move away from that system so that we drive up standards in Leicestershire, too?

Michael Gove: I believe in diversity and pluralism—different strokes for different folks. Middle schools do very well in some parts of the country. I know that the lead member for education in Leicestershire, Ivan Oulds, is one of the most impressive councillors in the country, and I look forward to talking to him, my hon. Friend and other colleagues to see what can be done to ensure that everyone is better off.

Tristram Hunt (Stoke-on-Trent Central) (Lab): May I urge Ministers to focus on the question of resits, which often work to the disadvantage of lower socio-economic groups and are at the root of grade inflation? I am also concerned about the thinking on modules. Modules at A-level work very well indeed, so I would be hesitant about rolling those back. Finally, I join my hon. Friends on the question of the importance of grammar and spelling. On that note, I must point to a grievous error on page 7, line 7 of the statement we were provided. The Secretary of State, of all people, should know how to spell "bureaucracy"!

Michael Gove: First, I thank the hon. Gentleman for his point about bureaucracy. Whenever I see that word, a red mist descends over my eyes, so occasionally the finger slips on the keyboard. I also thank him for his points about GCSEs and A-levels. We are stripping away modules from GCSEs. With A-levels, although I favour in many cases a linear approach that encourages synoptic understanding of the subject, it remains for universities, learned bodies and schools to decide the best way forward. For some subjects, it is appropriate to have a modular approach at A-level.

Mr Rob Wilson (Reading East) (Con): May I welcome the White Paper, particularly the drive towards making schools independent entities? There has been a stampede towards academy status in my constituency, but will my right hon. Friend ensure a smooth transition to academy status in all areas of the country? I know that the shadow Secretary of State will be anxious to see his old school, St Aelred's, become an academy. *[Interruption.]*

Michael Gove: I am delighted that St Aelred's, as an outstanding school, is going to become an academy. I look forward to visiting the school with the right hon. Member for Leigh (Andy Burnham), so that we can celebrate the superb education he received, along with the coalition's extension of more autonomy to more great schools.

Joan Ruddock (Lewisham, Deptford) (Lab): The Secretary of State has spoken a great deal about the poorest, but he appears not to understand that no matter how much money is in the schools budget, it is the money in the family budget that matters so much. What would he tell the parents of the thousands of young people in my constituency about their prospects when the £30-a-week education maintenance allowance is cut by his budget?

Michael Gove: I am a great fan of the right hon. Lady, and I know how passionately she fights for her constituents in Lewisham. I also know that she is deeply concerned about differential attainment from poorer children. One thing we are doing with the education maintenance allowance is ensuring that it is effectively targeted on the very poorest. That is the thrust behind our whole review of education spending in order to make sure that more money—£2.5 billion—is spent through the pupil premium on the poorest, while also ensuring that an additional £150 million is spent on children from poor homes as they make a transition from school to university. We are also providing more money for pre-school learning for impoverished two-year-olds.

Tessa Munt (Wells) (LD): From my experience of working with adults with learning disabilities, I know that it is quite common to encounter people who can read, but who do not always have the right level of comprehension. I note that the White Paper refers to a reading check at the age of six. I would like to know a little more about that and to be assured that this means a test of comprehension as well as a reading test.

Michael Gove: The test designed for six-year-olds is there simply as a screening test to make sure that people are decoding fluently. Once children are decoding fluently, it is vital that they are well taught in order to encourage comprehension. Subsequent assessment throughout the primary school years can ensure just that.

Clive Efford (Eltham) (Lab): The Secretary of State makes a great deal of freeing good head teachers to make decisions. If such a head teacher were to say, under the new freedoms, that smaller class sizes and funding to match it were necessary—this is what everyone applying to open a free school in my area is saying—will they get the same sort of sympathetic hearing as those free school applicants?

Michael Gove: Yes, and many schools that have applied for academy status have used the resources and the flexibility to reduce class sizes. Smaller class sizes are becoming a reality under the coalition Government.

David T. C. Davies (Monmouth) (Con): We have waited 13 long years for a Minister to bring in reforms that will truly drive up standards of education and behaviour. Now, some Members are saying that we are acting too hastily. Will my right hon. Friend assure us that he will bring in these measures as quickly as possible, the better to encourage the devolved regions such as Wales and Scotland to follow?

Michael Gove: Yes.

Emily Thornberry (Islington South and Finsbury) (Lab): I would like to ask a question on behalf of the many intelligent, highly motivated and well-informed youngsters—and their parents—who have a problem with dyslexia. They already face great challenges when it comes to learning a modern language. Their concern might be that the school would hold their difficulties against them because, many dyslexic children might cause the school to fall in the standards league. My main question is this: in his statement, the right hon. Gentleman said that he was going to restore the recognition of spelling in GCSE examinations. Will that not be a barrier for those dyslexic kids no matter how hard they try to pass the requisite number of GCSEs?

Michael Gove: I am grateful to the hon. Lady, who makes a number of important points. Identifying dyslexia at the earliest possible stage is one of the reasons why we are introducing an appropriate check at the age of six. There are many other ways of identifying children who have special needs and require support. A number of interventions are in place to ensure that, at assessment time, children with dyslexia or specific learning difficulties can be supported through it. I absolutely agree that we can never stop trying to ensure that children who are living with dyslexia or other learning difficulties are better supported.

Stephen McPartland (Stevenage) (Con): I welcome the White Paper. Will my right hon. Friend say a little more about his plans to improve underperforming schools?

Michael Gove: I am grateful to my hon. Friend, who I know takes a keen interest in the educational attainment of poorer children. In addition to implementing the pupil premium, we are going to focus relentlessly on schools where attainment is low and progress is poor. I know that some schools will often take in children who have been poorly educated at primary level, but still make fantastic progress with them. I do not want those schools to be stigmatised and I do not want schools to be seen as failing, but where they are underperforming, we need to hold them to clear standards and provide additional financial support to help them achieve them. I am perfectly happy to say that this builds on an initiative that the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) and Lord Adonis helped to introduce. I take no pride in authorship: this was a good idea, and I am delighted to extend it.

Mr Dave Watts (St Helens North) (Lab): May I tell the Secretary of State that the decision of St Aelred's school in my constituency to go for academy status was made under the last Labour Government, not his Government? He has some responsibility, however, for blocking many of the rebuilding projects that were intended to take place. Will he take credit for that and offer to provide the much-needed resources? If we are to have a world-class education system, we need the schools to go with it.

Michael Gove: I look forward to visiting the hon. Gentleman's constituency to congratulate St Aelred's on moving towards academy status. Of course, it was our Government and our legislation that allowed the school to make that transition to academy status with the speed, grace and support that the superb officials in the Department for Education accord to all schools that want to enjoy greater autonomy.

Andrew Selous (South West Bedfordshire) (Con): Does my right hon. Friend agree that schools fail children if they do not teach them an acceptable level of spelling and grammar? Does he further accept that it is the job of all teachers to ensure that that is the case and to correct work, where necessary?

Michael Gove: I could not agree more. Earlier today, it was a pleasure to visit the Durand primary school in the constituency of the hon. Member for Vauxhall (Kate Hoey), which does precisely that. The school also does a superb job of training new teachers to become outstanding leaders.

Derek Twigg (Halton) (Lab): Will the Secretary of State explain his comment, where he says he will

"make GCSE performance tables more aspirational by judging schools on how well all students do—not just in English and maths but also science, modern languages and the humanities, like history and geography"?

Will he explain what that means in plain English?

Michael Gove: Yes, it means that instead of the performance tables that were used under the Labour Government, in which only English and maths and then any mixture of GCSEs were taken into account, we will, in future, have English, maths—*[Interruption.]* How many questions does the hon. Gentleman want to ask?

I think I made my view clear in my response to the right hon. Member for Leigh (Andy Burnham), but I am happy to have an opportunity to repeat it. I believe that it is wrong to assume that children from poorer backgrounds cannot pass GCSEs in modern foreign languages, science, history and geography. One of our problems in this country is that only 16% of young people achieve those five academic GCSEs, and only 4% of children eligible for free school meals do so. That is a scandal. The hon. Gentleman should be on our side: he should be trying to get the children in his constituency to learn, and to obtain the qualifications that will give them jobs in the future.

David Morris (Morecambe and Lunesdale) (Con): I congratulate my right hon. Friend on his excellent White Paper. What measures does it contain to protect teachers from false allegations made by disruptive pupils?

Michael Gove: It was a pleasure to meet teachers in my hon. Friend's constituency during the local election campaign two years ago. I know that they will welcome our proposals to ensure that investigations are speeded up when teachers face false allegations, and to ensure that they enjoy anonymity if such allegations are made. We will also tell head teachers that there should be no automatic suspension of teachers when they exercise legitimate authority in the classroom.

Mr Ben Bradshaw (Exeter) (Lab): The Secretary of State's decision to axe funding for school sport partnerships will be extremely damaging to the fitness, health and attainment of our young people, as well as to our country's future sporting prowess. May I implore the

right hon. Gentleman, who is a reasonable man, to revisit that decision before he destroys the renaissance that school sport has experienced in the past few years?

Michael Gove: I am grateful to the right hon. Gentleman. I know that he is a reasonable man as well. I am sure that we can work together in future to ensure that the additional resources that we are investing in education, and the additional emphasis on competitive team sport, provide every school with the support that it needs to give all children the physical education that they deserve.

Mark Lancaster (Milton Keynes North) (Con): The new academy in Milton Keynes is a fantastic facility, but the fact that it has fewer places than the school that it replaced has had the unintended consequence of forcing another school in my constituency to become the de facto community school. How can we ensure a balance between the rights of schools to set their own admissions policies and the rights of parents to send their children to a local school?

Michael Gove: My hon. Friend has asked an important question, to which I can give two answers. First, we are encouraging collaboration to enable more schools to join trusts or federations involving an outstanding school that is sponsored by an academy, so that excellence can be more evenly spread. Secondly, we are going to simplify the admissions code and give local authorities a clear role in policing it, in order to ensure that admissions are fair to all.

Bill Esterson (Sefton Central) (Lab): Will the Secretary of State confirm that the entire £162 million grant to support school sport partnerships has been cut, not devolved into the main schools grant? Does he agree with the head teacher of Chesterfield high school in Crosby, who tells me that that will have a profound effect on his ability to form partnerships with primary schools and other secondary schools, and will reduce young people's participation in sport?

Michael Gove: Overall spending on schools has risen as a result of the comprehensive spending review.

Damian Hinds (East Hampshire) (Con): I welcome the broadening of the base for the gold standard in GCSE attainment, but what can my right hon. Friend do to ensure that children who are far above that standard—and those in the most challenging circumstances who may be expected to fall quite far below it—are also fully stretched and given the encouragement that they need, and how can schools' efforts in that regard be fully recognised?

Michael Gove: My hon. Friend has made an extremely good point. Along with Ofqual and others, we will ensure that our examinations are as rigorous as the world's best, so that children who are truly talented receive that support. Some children may not be able to access GCSEs, although I imagine that many more will be able to pass them: that is what we expect, and that is what those in other countries succeed in doing. We are working with Alison Wolf on qualifications that will ensure that every child's achievement and hard work are recognised.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): Requiring 24 hours' notice for detention does not in any way undermine discipline, but once that rule goes, teenagers could well tell their parents that they must stay behind for detention when in fact they have been inveigled into meeting abusers who have groomed them on the internet. I say seriously to the Secretary of State that removing that rule will put children at risk, and I am sure that he does not want to do that. Will he reconsider, and talk to children's organisations such as the National Society for the Prevention of Cruelty to Children?

Michael Gove: We take child protection amazingly seriously. We are working with the Council for Internet Safety and the Child Exploitation and Online Protection Centre to ensure that we are doing everything that is necessary to protect children from online grooming. However, I do not see how giving teachers more control over discipline can undermine the safety of all children.

Mr Sam Gyimah (East Surrey) (Con): Too often kids go to school with the wrong attitude, and spend a great deal of their time in the classroom being disruptive. What specific steps will my right hon. Friend take to restore discipline in the classroom, so that teachers can focus on teaching and enabling kids to learn rather than on managing disruptive pupils?

Michael Gove: We are going to change the rules on search, on the use of appropriate force and, as I have said, on detention, but, critically, we are going to ensure that children learn to read properly at primary school. The problems involving disruptive children at secondary school are often due to the fact that they have not been taught to read. When they arrive at secondary school the curriculum is too stretching, and unfortunately they act up rather than learn. That is a tragedy, and it needs to be addressed at a very early stage.

Ann Coffey (Stockport) (Lab): In his statement, the Secretary of State said that he wanted parents to choose schools rather than schools choosing parents. I am sure that many parents share that sentiment, but will he clarify the changes that he will make in the way in which local education authorities set admission limits for individual schools in order to ensure that that choice is available?

Michael Gove: I thank the hon. Lady for a typically thoughtful question. We will work with local authorities, individual schools and others to revise the admissions code in order to achieve exactly the aim that she has described.

I recognise that when it comes to admissions, one of the problems is rationing access to good schools. I want to ensure that there are more good schools, so that more parents can receive the education that they deserve for their children. Sometimes there are difficult decisions to be made, and in those circumstances we need clear rules that are rigorously enforced in order to provide fairness. I want to ensure that there is buy-in from everyone to guarantee that fairness.

Craig Whittaker (Calder Valley) (Con): I welcome the White Paper, but will my right hon. Friend elaborate on his plans to replicate the teaching hospital model in education and to create teaching schools?

Michael Gove: I am grateful to my hon. Friend for his support. Teaching schools that are the embryo for our model are currently operating in Manchester, London and the black country. The National Foundation for Educational Research has described them as an outstanding model for how we can improve teaching. I think it critical for us to raise the prestige of the teaching profession and the esteem in which it is held so that it ranks with medicine, architecture or law as an aspirational profession that is entered by the very best of our graduates, and I believe that this is a step along the way.

Angela Smith (Penistone and Stocksbridge) (Lab): Local head teachers tell me that they have recruited their best ever generation of newly qualified teachers from our local universities, so I am glad that the Secretary of State has confirmed that universities will have a continuing role in training teachers. Will he also confirm that he will not fund the new teaching schools by cutting the higher education budget even further?

Michael Gove: The higher education budget is the province of my colleagues the Secretary of State for Business, Innovation and Skills, the right hon. Member for Twickenham (Vince Cable), and the Minister for Universities and Science, my right hon. Friend the Member for Havant (Mr Willetts). We support higher education through the money that is spent by the Training and Development Agency for teachers. We want to ensure that that money is spent on attracting more highly qualified people into teaching, and in the next few months we will present proposals explaining exactly how we will support high-performing institutions, whether they are higher education institutions or schools.

Mr Robin Walker (Worcester) (Con): I congratulate my right hon. Friend on his excellent White Paper and especially on the pupil premium, which will benefit many people in my constituency. Christopher Whitehead language college in my constituency, which is an outstanding school, is shortly to launch Mandarin classes. Will the Secretary of State expand on what the White Paper offers to improve the depth, breadth and quality of language teaching in our schools?

Michael Gove: I have been working with my right hon. Friend the Secretary of State for Business, Innovation and Skills to ensure that we can help more people studying modern languages, particularly Mandarin and strategic subjects, into teaching. I was fortunate enough to be in China with my right hon. Friend two weeks ago, when we received funding from the Confucius Institute to ensure that there will be 1,000 new trained teachers of Mandarin, and that the fantastic work being done in the school in my hon. Friend's constituency is spread more widely.

Tony Lloyd (Manchester Central) (Lab): Will the Secretary of State add to the guarantee that he seemed to give earlier that no school would lose as a result of the pupil premium? Will he give me a guarantee that no inner-city school in Manchester will suffer either a relative or an absolute loss of funding as a result of his proposals?

Michael Gove: No school will suffer as a result of our proposals. It will, of course, be for Manchester as a local authority to decide, when it receives its funding, how it will allocate it in consultation with its schools forum. Some schools—this happens every year—have declining rolls and sometimes have to adjust their budgets because of that, but the pupil premium itself means more money, particularly for the poorest.

Paul Uppal (Wolverhampton South West) (Con): In 1950s Kenya, my father received an education that covered the writings of Chaucer and Shakespeare as well as British history. Does the Secretary of State not find it ironic that many students in modern Britain are given a less comprehensive education in British history than many students in 1950s Kenya?

Michael Gove: That is a striking piece of personal testimony, and my hon. Friend and his father stand as powerful witnesses of the importance of recognising that we should not shy away from expecting children from all backgrounds to be stretched and tested by being introduced to the best that has been thought and written. Those high aspirations are embodied in this White Paper but, sadly, they were undermined by the response of the right hon. Member for Leigh.

Ian Mearns (Gateshead) (Lab): Despite the answers the Secretary of State has given today, there is still great concern that some schools could lose out as a result of the consolidation of the standards funds granted to schools into the direct school grant, and the formula distribution of that. Can he give an absolute guarantee that that will not be the case?

Michael Gove: The hon. Gentleman was a lead member for children's services in Gateshead, which has a fantastic local authority, and he knows that local authorities sometimes have to make difficult decisions. I believe they will make the right decisions. We are providing them with more money for schools. I hope they use it wisely, and I am sure they will.

Robert Halfon (Harlow) (Con): Has my right hon. Friend seen the television programme about the experiment at Pear Tree Mead primary school in my constituency? It showed Gareth Malone transforming the literacy skills of young male adults. Given that more than 30% of our young people leaving primary school cannot read, what measures are there in the White Paper to improve literacy skills, and will my right hon. Friend look at projects such as that at Pear Tree Mead?

Michael Gove: It was a great programme, and Gareth Malone is a star. Improving literacy is important, but it is also important to ensure that all primary school children have access to excellent cultural activities that can help them to enjoy and achieve.

Paul Blomfield (Sheffield Central) (Lab): Two weeks ago I presented prizes at Silverdale school, a successful school in the Deputy Prime Minister's constituency which draws in many kids from inner-city areas of my constituency. The Secretary of State talks about taking advice from teachers, so will he accept their advice that their work to transform the life chances of kids such as many in my constituency will be deeply damaged by the withdrawal of the education maintenance allowance?

Michael Gove: I, too, have been fortunate enough to visit some of the outstanding schools in Sheffield, some of them supported by the outstanding leadership shown by the Liberal Democrat councillors on Sheffield council. *[Interruption.]* No, they have been very good actually. *[Interruption.]* No, they have been very impressive—a lot more impressive than councillors on many Labour local authorities—and I will work with them to ensure that funding is targeted on the very poorest, so that the hon. Gentleman's constituents get the education they deserve.

Margot James (Stourbridge) (Con): Oxford and Cambridge universities recruit more students from Westminster school and Eton college than from the entire body of pupils qualifying for free school meals. I congratulate the Secretary of State on the many measures he is taking to address both that iniquity and many others that beset our education system. Will he tell us more about his plans to reduce exam grade inflation and to improve opportunities to attain core academic knowledge?

Michael Gove: I am very grateful to my hon. Friend for her comments. I have had the great pleasure of visiting a sixth-form college in her constituency, which, using its autonomy, does a superb job in raising standards for children from a variety of backgrounds. There should be no compromise on academic excellence. That is why we are asking Ofqual to benchmark our exams against the world's best.

Yvonne Fovargue (Makerfield) (Lab): Given the intention to expand the use of traditional uniforms in schools and the fact that only a minority of local authorities provide grants for school uniforms, what support will be made available for already overstretched parents to meet the extra costs involved?

Michael Gove: One of the many things the last Government did that was wise was to recognise that it is important that support is given to all schools in order to ensure children have access to high-quality school uniforms. In many cases a high-quality school uniform is not only a shrewd investment for the parent, but a wise choice for the school in building a sense of corporate identity. We want to make sure that the cost of uniforms is never a barrier to a child accessing a school, and the admissions code specifies that.

Gavin Barwell (Croydon Central) (Con): I welcome the White Paper's focus on the fundamental importance of the quality of teaching. My right hon. Friend spoke about what the Government will be doing to recruit the best and to improve teacher training. Will he say a bit more about what the White Paper has to offer existing teachers in my constituency and throughout the country in continuing professional development and flexibility in terms and conditions?

Michael Gove: My hon. Friend makes two very good points. It is crucial that we support our existing teachers to do even better. As a number of Members have said, we have a great current crop of teachers in our schools, but the best way they can improve is through making sure they have a chance to observe the best and to be observed, and that is one of the reasons we are scrapping the so-called three-hour rule, which serves to limit observation of great teaching.

David Rutley (Macclesfield) (Con): I welcome the Secretary of State's statement. Will he say a little more about his plans for teaching schools, and in particular how they will better support the schools around them?

Michael Gove: I am grateful to my hon. Friend for his remarks. The teaching schools that we will establish must act as hubs and serve as an exemplar of how teachers can be trained for all schools in their area. At present, we have that model of teaching school in embryo in Manchester, the black country and London. We want to spread them, so as to ensure that in the south-west, the south-east and the north-east there are more great and outstanding schools providing that sort of support.

Jonathan Lord (Woking) (Con): I welcome the White Paper. Is my right hon. Friend aware that pupils can pass a GCSE in English without reading a novel? What will he do about that?

Michael Gove: We are working with the exams regulator, Ofqual, to make sure our exams are as rigorous as those in the world's most demanding education jurisdictions. It is vital that we encourage more people in this country to read fiction—*[Interruption.]*—and I am sure the right hon. Member for Leigh has already thought of all sorts of quips that he will be only too happy to use against me as a result of my having made that comment.

Mr Speaker: I call Mr Pincher.

Christopher Pincher (Tamworth) (Con): Thank you, Mr Speaker; clearly, I am moving up the batting order in this particular sport.

In welcoming my right hon. Friend's White Paper, may I ask him to encourage greater vertical integration between primary and secondary schools? One issue that teachers in Tamworth have raised with me is the number of primary school children who do not have the necessary reading and writing skills when they move on to secondary school, and we need to improve that.

Michael Gove: My hon. Friend is bang on the button, and one of the reasons we are establishing primary academies and integrating primary schools into academy chains is to deal with precisely that issue. The last Government said the creation of primary academies would send a chill down the spine of every parent, but actually the creation of many new primary academies has meant that parents enjoy smaller class sizes and higher standards and children better prepared for the world of work and further learning. This is a reform that I hope every party represented in the House will now support.

Mr Speaker: I call Rehman Chishti.

Rehman Chishti (Gillingham and Rainham) (Con): Last but not least.

I welcome the statement as representing an excellent way forward. Will the anonymity for teachers who are the subject of false accusations last until conviction?

Michael Gove: The intention is that anonymity should last until charging. We do not want to interfere with the way the courts operate, but we do want to ensure that

[Michael Gove]

teachers who may face vexatious or mischievous allegations are protected. That is crucial, and I am very glad that the right hon. Member for Leigh will support us in bringing forward that measure.

Points of Order

1.38 pm

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): On a point of order, Mr Speaker. You will recall that during Prime Minister's Question Time my hon. Friend the Member for Glasgow North East (Mr Bain) asked the Prime Minister about the mobility component of disability living allowance for those in residential accommodation and the Government's plans for people in those circumstances. The Prime Minister said in reply that the official Opposition supported the Government's position. I observed that the Prime Minister was being advised by the Chancellor of the Exchequer, and I recall that the Chancellor made the same comment to the House at Treasury questions a week or so ago. I seek your advice on the following point, Mr Speaker. The fact is that my Opposition Front-Bench colleagues assured me right up until when the last statement was being made that that is not the policy of the official Opposition, and that we are utterly opposed to it—

Mr Speaker: Order. I am very grateful to the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke). He is an extremely experienced and assiduous Member and I was waiting expectantly, with bated breath and beads of sweat upon my brow, for the point of order he was going to raise, and I think we have now just about reached it, except that it is not a point of order. It is, I think, a point of debate, at which the right hon. Gentleman is very adept, but I am afraid we will have to leave it there. There is nothing on which I need to rule, although it is always a pleasure to hear from the right hon. Gentleman.

Ian Mearns (Gateshead) (Lab): On a point of order, Mr Speaker. I think that, like me, you are very concerned when Ministers widely trail announcements prior to their being made in this House. I cannot recall a more widely trailed ministerial statement than the one just made by the Secretary of State for Education. The statement and the White Paper have been extensively trailed in the newspapers over the past four or five days—I have many examples here. I know that you are against that practice, so I wonder whether you would like to comment.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. As he knows, I believe very strongly, on behalf of the House, that statements of policy should be made first to this House and not through the media. He will appreciate that I keep a very attentive eye on these matters and I seek to perform the role of a detective such as I am able; I am always on the lookout for decisive evidence. But as to the specifics of today, I have nothing to add. I just say to the hon. Gentleman that I have his interests at heart—I hope he will realise that—and these matters are continually under review. If there are no further points of order—

Andy Burnham (Leigh) (Lab) *rose*—

Mr Speaker: The shadow Secretary of State cannot resist.

Andy Burnham: I cannot. Further to that point of order, Mr Speaker. You asked for evidence. The *Financial Times* was given drafts of the White Paper and I can

supply that evidence to you. My hon. Friend the Member for Gateshead (Ian Mearns) is right that on this occasion there seems to have been a widespread breach of your stricture about making announcements first to this House. I will provide that evidence, but I would be grateful if you would then raise this matter with the Government.

Mr Speaker: I say to the right hon. Gentleman that I have no desire to quibble with him or any other Member, but I did not ask for evidence; I simply said that I am always on the lookout for the evidence, which is not quite the same thing. I think that the matter must be parked for today. I have referred previously to the fact of the Procedure Committee inquiry into statements, to which he and other of his colleagues, and other Members from across the House, might wish to submit evidence. The matter will be kept, on an ongoing basis, under review. If he wants to bring to me particular instances of alleged abuse, he can do so. For today, that must not be done on the Floor of the Chamber, but on another occasion. If there are no further points of order, we come to the ten-minute rule motion; the hon. Member for Walsall South (Valerie Vaz) has been patiently awaiting her opportunity.

Epilepsy and Related Conditions (Education and Health Services)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.42 pm

Valerie Vaz (Walsall South) (Lab): I beg to move,

That leave be given to bring in a Bill to require action plans to be prepared for the provision of education and health services for children and adults with epilepsy and related conditions; to make provision about support for children and adults with epilepsy and related conditions; and for connected purposes.

Let me offer the following words to the House: complex, fascinating and unique. I could be talking about us and the spouses and partners of hon. Members, but I am describing the human brain, which is at the centre and the focus of epilepsy and other related conditions, such as non-epileptic seizures. The human brain is the most complex organ in the living world. It contains 10 billion neurones, which cause seizures if they fire excessively. Sometimes there are structural and genetic reasons for such seizures and sometimes they are idiopathic, which means that there are no known causes.

As a society, we are failing children and adults with these conditions. Today I hope to persuade the Government to support my Bill, which proposes an action plan in health and education that is big on impact and low on costs, but could lead to savings in the short and long term and, more importantly, could save lives. With a swish of the Secretary of State's pen, this could lead to benefits to society, both economic and general, and to many individuals with epilepsy, whose lives are adversely affected by poor health or education provision.

Nearly 500,000 people in the UK have epilepsy—that is one in every 131 people—and so in an average constituency 705 people will have it. Many of them will struggle throughout their lives with stigma, unemployment and fear. They look to our NHS to support them, but it fails them. There are centres of excellence throughout the country, and Britain leads the world in epilepsy research, but unfortunately we are lagging well behind in practice. The tragic part is that, on average, three people a day die of epilepsy-related causes and one of those three deaths every day is avoidable with good treatment. Four hundred people are therefore dying needlessly each and every year, which is more than the total of AIDS-related deaths and cot deaths combined. The death rate in Britain is about 25% higher than the median for the EU, and these deaths are particularly tragic because the greatest risk is in the 16 to 35 age bracket. That figure of 400 represents nearly two thirds of the people in this Chamber; there would be an outcry if something affected two thirds of this Chamber every year, but these deaths go unnoticed.

The first challenge is diagnosis, and the failure rate is alarming. Studies show a misdiagnosis rate of 20 to 31%, with one study of childhood epilepsy showing a rate of 40%. National Institute for Health and Clinical Excellence guidelines require a specialist to make the diagnosis and a first specialist appointment to take place within two weeks of a seizure. Without a diagnosis, there can be no treatment. The patient can experience many negative events with severe consequences, including death, before they are even seen by the specialist and treated. A recent survey of NHS trusts published in

[Valerie Vaz]

January 2009 by Epilepsy Action showed that more than 90% failed to meet the two-week deadline, and it is the patient who has been paying the price.

For many, the misdiagnosis continues for decades, and doctors prescribe different drugs on a trial-and-error basis. What is required is a tertiary referral to a specialist who can get the diagnosis right. It is estimated that an extra 20% of people with epilepsy could be seizure-free with the right treatment. In England alone, that would translate to a massive 69,000 more people free of seizures and able to play a full part in society. Tertiary referral is also needed to establish who can benefit from surgery, which can cure epilepsy in some people. It is estimated that only 25% of children who could benefit from surgery get access to it.

The medical costs alone of misdiagnosis are estimated at more than £22 million each year: every mistreated patient calls on our overstretched NHS, as general practitioner visits, repeated hospitalisations and generalist consultant time are absorbed. GPs should be able to refer directly to an epilepsy specialist, rather than to a secondary generalist. Other vital issues to address include: the employment of life-enhancing and cost-saving epilepsy specialist nurses; the low level of epilepsy specialist neurologists; and the many people who have been wrongly diagnosed with epilepsy and spend the rest of their lives taking powerful drugs with serious side effects for no good reason.

I shall now discuss education and why we need an action plan to support our children. The following extract from the 1978 Warnock report on special education remains as valid today as it was at the time:

"many children with epilepsy may have serious problems in concentration and behaviour, which affect their learning....Their particular difficulties are not always recognised by schools and colleges, and better arrangements for reviewing their progress are needed....if these children are to be helped to develop their potential to the full."

The actions proposed by Warnock still need implementation. Approximately 40,000 children with epilepsy are in mainstream schools, and about half of all children with epilepsy are underachieving in relation to their intellectual ability. Epilepsy is defined by the Department for Education as being a purely medical condition in the same category as asthma and diabetes, but that comparison is flawed. With the proper management of medication, a large majority of children with diabetes and asthma have little or no education or behavioural challenges, whereas that is not the case for children with epilepsy. Epilepsy is a medical condition that frequently has an impact on learning, well-being and behaviour; it is more akin to autism.

There is no reference to epilepsy in the Department for Education's key special educational needs document. That lack of recognition hampers teachers as it results in a failure to provide advice or to recognise that sometimes epilepsy can take on the form of absences, where children literally space out. Professor Brian Neville, former Prince of Wales chair of childhood epilepsy, has said:

"As well as the potential for seizures to make the child miss lessons, epilepsy can cause short and long-term memory problems, difficulties with concentration and information retention. Often teachers don't fully understand why a child may appear to lack effort or attention and achieve poorly. Variable behaviour can be misinterpreted as being wilful."

Even when the children are on drugs, those often have a side effect. Whereas those with mild dyslexia are afforded extra time in examinations, children with a diagnosis of epilepsy or a history of non-epileptic seizures are not afforded that; nor are they given any attention.

The Department needs to recognise epilepsy as a special educational need and to recognise that it can affect those with higher than average intellectual ability who may be achieving only at a comparatively low level. To give children with epilepsy and related conditions an individual assessment to establish what support they need would involve the average secondary school undertaking only one assessment a year. Without that assessment, it is impossible to know how best to support a child with epilepsy or related conditions so that the legal duty to them is satisfied—that is, that reasonable steps have been taken to ensure that they are not placed at a disadvantage in education or other services. Such a move would anticipate where the barriers to learning would lie and take action to remove them.

In this way, people can fulfil their potential like other high-profile people with epilepsy—they can become the next Dostoevsky, and can write poetry like Lord Byron or beautiful songs like Neil Young. We owe it to all those people whose deaths could have been avoided and who never reached their promise. I ask the House and the Government to support an action plan for tertiary referral in health and an annual assessment in education to save the needless loss of life and to enable our children and adults to fulfil their hopes and dreams.

Question put and agreed to.

Ordered,

That Valerie Vaz, Mr David Amess, Jeremy Corbyn, Mrs Mary Glindon, Mr Sam Gyimah, Paul Maynard, Steve McCabe, Grahame M. Morris, Pamela Nash, Bob Russell, Laura Sandys and Owen Smith present the Bill.

Valerie Vaz accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday, 4 March and to be printed (Bill 112).

FIXED-TERM PARLIAMENTS BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the Order of 13 September 2010 (Fixed-term Parliaments Bill (Programme)) be varied as follows:

(1) in paragraph 2, for "two days" there shall be substituted "three days";

(2) in paragraph 4, for "at the moment of interruption on the second day" there shall be substituted "three hours after the commencement of the proceedings on the third day".—(*James Duddridge.*)

Question agreed to.

Fixed-term Parliaments Bill

[Relevant documents: The Second Report from the Political and Constitutional Reform Committee, Fixed-term Parliaments Bill, HC 436, and the Government's response thereto, Cm 7951.]

[2ND ALLOCATED DAY]

Further considered in Committee

[MR NIGEL EVANS *in the Chair*]

Clause 1

POLLING DAYS FOR PARLIAMENTARY GENERAL ELECTIONS

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 307, Noes 229.

Division No. 130] **[1.53 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chisht:, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Gauke, Mr David
George, Andrew
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew

Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Willetts, rh Mr David
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Cash, Mr William
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Creagh, Mary
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela

Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Wright, David

Tellers for the Noes:
Phil Wilson and
Lilian Greenwood

Question accordingly agreed to.

Clause 1 ordered to stand part of the Bill.

Clause 2

EARLY PARLIAMENTARY GENERAL ELECTIONS

Mrs Eleanor Laing (Epping Forest) (Con): I beg to move amendment 33, page 1, line 22, leave out from 'if' to end of clause and add

'on an address presented to Her Majesty by the House of Commons praying that a day be the polling day for an early parliamentary general election. Her Majesty appoints this day by proclamation to be the polling day for such an election.

(2) No motion shall be made for such an address except by the Prime Minister acting with the agreement of

(a) the Leader of the Opposition; and

(b) each member of the House of Commons who at the time of the motion being made is the registered leader of a registered party that received more than 20 per cent. of the total votes cast at the previous parliamentary general election.

(3) An early parliamentary general election shall not otherwise take place.

(4) Subsection (1) applies for the purposes of the Timetable in rule 1 in Schedule 1 to the Representation of the People Act 1983.

(5) In this section

"Leader of the Opposition" means the person who is the Leader of the Opposition in the House of Commons for the purposes of section 2 of the Ministerial and other Salaries Act 1975;

"registered leader", in relation to a party, means the person registered as that party's leader in accordance with section 24 of the Political Parties, Elections and Referendums Act 2000;

"registered party" means a party registered in a register of political parties maintained by the Electoral Commission in accordance with section 23 of the Political Parties, Elections and Referendums Act 2000.'.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 21, page 2, line 2, leave out 'early' and insert 'immediate'.

Amendment 4, page 2, leave out lines 3 to 7.

Amendment 34, in clause 3, page 2, line 28, leave out '(6)'.

Amendment 35, in clause 4, page 3, line 15, leave out '(6)'.

Mrs Laing: Once again, I bring to the Chamber the apologies of the hon. Member for Nottingham North (Mr Allen), the Chairman of the Select Committee on Political and Constitutional Reform, for his absence. He is, unfortunately, unable to be here, but I assure hon. Members that he is probably watching proceedings and that he will be better soon. He is still carrying out his duties as Chairman, but it is difficult for him to be here in the Chamber.

I am pleased to move the amendment tabled by the Select Committee, or at least some members of it. It concerns the House's procedure for determining the way in which an early election can be called. I, personally, do not support its wording and I shall not insist on putting it to a vote, and if others do so, I shall not vote for it. There is nothing wrong with that, as I am merely moving it. It forms an important part of the Select Committee's pre-legislative scrutiny of the Bill and, as such, it should be put before the Committee so that it can be properly discussed.

The amendment reflects some of the arguments that were heard during the Select Committee's inquiry into the Bill. I simply wish to ensure that hon. Members have the chance to examine these important issues. The amendment proposes an alternative way of bringing about what the Government seek to achieve in clause 2. It does not oppose the Bill's aims in any way, but simply proposes an alternative that hon. Members should consider.

As an alternative form, the amendment would have three advantages. First, it would avoid the risks involved in implementing the Government's proposal that a two thirds majority should be required for a vote to have effect. Secondly, it would avoid what the Committee described as the "uncertain" consequences of the provisions in the Bill on motions of no consequence—*[Laughter.]* That was a visual rather than a grammatical problem, and if the Committee will forgive me, I shall try again. I meant to say motions of no confidence, which would include the possibility of a Government

"subverting the purpose of the Bill by tabling and voting for a motion of no confidence in itself in order to trigger an early general election without the need for a super-majority."

Thirdly, the amendment would largely deal with the concern of the Clerk of the House, articulated to the Select Committee, that this part of the Bill would infringe the House's "exclusive cognisance" over its own proceedings—its right to decide for itself how its business should be done, and the concomitant principle that the courts will not interfere. When the Clerk told us of his concerns, we shared them, so tabling the amendment allows us to consider those real and well-founded concerns. I am aware that other amendments that we shall discuss this afternoon would deal with the situation in different ways, but amendment 33 proposes a simpler way of getting around those concerns. It would ensure that an early general election could take place only with cross-party support.

Mr Richard Shepherd (Aldridge-Brownhills) (Con): I am sorry to intervene at such an early stage of my hon. Friend's comments, but I notice that proposed new subsection (2)(b) states that

"each member of the House of Commons who at the time of the motion being made is the registered leader of a registered party that received more than 20 per cent. of the total votes cast at the previous parliamentary general election."

[Mr Richard Shepherd]

Those are the people who are supposed to decide whether there will be a confidence motion. What does my hon. Friend feel about the fact that the proposal will disfranchise the representatives of between 3.5 million and 4 million people?

Mrs Laing: I appreciate my hon. Friend's point, and I find myself in some difficulty. I am happy to respond to it, but of course I agree with it. I am proposing the amendment not because I am passionate about it, but simply so that the Committee can discuss it. He is right to raise one of the issues that should be discussed. I take it that he means people who are represented by parties such as the nationalist parties. In that respect, if the amendment were accepted by the Committee and by the Government and if it became part of the Bill, I would find myself wishing further to amend it, to the effect that the parties concerned should be those that received more than 20% of the vote in the nation in the United Kingdom where their candidates stood for election. I hope that answers my hon. Friend's question. However, I do not think we need to go into that in much greater detail.

The amendment provides that an early general election would take place only when the House agreed by a simple majority to a motion in the name of the Prime Minister, tabled with the agreement of the Leader of the Opposition and the leader of any political party that had received more than 20% of the national vote at the previous general election, with the extra proviso that I have just added in response to my hon. Friend's well-made point.

2.15 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): The hon. Lady may not be aware of this, but my recollection is that the Scottish Conservatives did not receive 20% of the vote in Scotland at the last general election. Is she saying, therefore, that the Under-Secretary of State for Scotland, the right hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) would not be able to take part in that process?

Mrs Laing: No, not at all. I appreciate the political point that the hon. Gentleman seeks to make, but that would make no difference because the Conservative party throughout the United Kingdom as a whole obtained considerably more than 20% of the popular vote, and in some places, such as Epping Forest—I am very pleased to say—a mere 54%. The hon. Gentleman makes a perfectly good point, but it would be a pity to take up the time of the Committee looking in detail at the percentages involved. My purpose in putting the issue before the Committee is to address the serious concerns relating to exclusive cognisance, which were put to the Select Committee by the Clerk, whose opinion on the matter we take very seriously. The Committee, too, should esteem the Clerk's opinion and recognise his concerns, and this is an opportunity for Members to consider them.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Is the hon. Lady aware of the various bids for independence from Conservatives south of the border made from time to time by Conservatives in Scotland? The point made by the hon. Member for Dunfermline and West Fife (Thomas Docherty) might hold: the proposals could lead to the exclusion of the solitary, lonely Scottish Conservative figure on the Government Benches.

Mrs Laing: It is kind of the hon. Gentleman to stand up for my right hon. Friend, as I do frequently, but my right hon. Friend is not, of course, the leader of a political party in the House. The Prime Minister is leader of the Conservative party, with a large proportion of the popular vote throughout the country behind him, and undertakes that task very well indeed.

Mr George Howarth (Knowsley) (Lab): I am filled with admiration at the extent to which the hon. Lady is managing to disagree with herself. Could she return to the question put by the hon. Member for Aldridge-Brownhills (Mr Shepherd), and the legitimate point that there will be parties that receive significantly less than the threshold that she proposes, and will thus have no voice in the process? That cannot be democratic.

Mrs Laing: The right hon. Gentleman is absolutely right. He is right, too, in his first point:

"Frailty, thy name is woman."

I can disagree with myself or anyone else when called to do so. If it is my duty, I can be—well, I think we will leave that aside.

Chris Bryant (Rhondda) (Lab): Methinks the lady doth protest too much.

Mrs Laing: I appreciate that line from Shakespeare, too.

The right hon. Member for Knowsley (Mr Howarth) is correct. There is some difficulty with the arithmetic threshold set out in the amendment, but there is also a matter of principle, and on this point I will argue with myself—or rather I will, as an individual, disagree with the relevant part of the Select Committee report. I think the correct democratic process is to consult the House as a whole, not merely the leaders of particular parties in the House. There is then a problem in defining how the democratic process should work when the House is considering consulting the leaders of political parties. If there was a party that had only one Member, one leader and a very small proportion of the vote, it would be ignored and that does not quite work.

Sir Peter Soulsby (Leicester South) (Lab): I commend the hon. Lady for the excellent job that she is doing in putting forward an amendment with which she is not in entire agreement. As she told the Committee, she is making it on behalf of the Select Committee, of which I am also a member, and it expresses the concern that we heard from the Clerk about the way in which the Government's proposals might be subject to challenge in the courts, were they to go forward unamended. Will she join me in hoping that when the Minister responds, he will be able to give an assurance that the Clerk's concerns have been taken into account, and that any process that was followed under the Bill would not be subject to such challenge?

Mrs Laing: That is precisely the point. I thank the hon. Gentleman both for putting it so succinctly, and for putting his name to the amendment so that I am not alone in disagreeing with myself. The point that he made is the crux of the matter, and I am sure the Minister has picked that up and has already considered it. I have every confidence that he will respond to it in a short time.

Mr Nigel Dodds (Belfast North) (DUP): To reinforce the hon. Lady's opposition to her own amendment, it should be pointed out that under proposed new subsection (2)(b) of the amendment, it is not necessarily the case that the registered leaders of all the registered parties are Members of the House. The First Minister of Scotland and the First Minister of Northern Ireland, who are the registered leaders, are not Members of the House. That is another reason why the amendment is flawed.

Mrs Laing: Indeed. I am grateful to the right hon. Gentleman. Once again, the details of proposed new subsection (2)(b)—that is not

"To be, or not to be"

—we are going back in again! I do not think we need any more Shakespeare, and I will be called to order if I go any further down that road.

The matters identified by the right hon. Gentleman would have to be considered in more detail if the amendment were to become part of the Bill. I predict that the Minister will not accept it. As I said, I hope not, because I would have to vote against it and as the Committee knows, I am uncomfortable voting against my Government and the Minister. The amendment does not have to become part of the Bill, but the points made to the Select Committee by the Clerk of the House are serious and important, and the Committee will wish to be reassured that the Minister has considered them.

Mr Shepherd: Is not the difficulty for my hon. Friend and those on behalf of whom she is promoting the amendment that they have put it in a statutory form, whereas the Clerk's solution was that it should be in the form of Standing Orders of the House? To read across is not possible. On the face of it, the amendment looks absurd, so I am puzzled why it is even before the Committee.

Mrs Laing: Let me explain further. The Select Committee rushed through its pre-legislative scrutiny process, because of the timetable for the publication of the Bill, Second Reading and Committee. Inevitably, the Select Committee had to take evidence and consider matters quickly and briefly. It is important that the issues considered by the Select Committee are put before the Committee. I have every confidence that the Minister will assure the Committee in due course that he and his colleagues have considered all the points made in the pre-legislative scrutiny report by the Select Committee.

Mark Durkan (Foyle) (SDLP): This is not about subsection (2)(b). If it would assist the hon. Lady in arguing against her own amendment, does she recognise that other amendments that she has tabled, such as amendment 37, if accepted, would create a serious problem in relation to amendment 33? That rests on the Prime Minister discharging a particular function, whereas under amendment 37 there could be circumstances in which there was no Prime Minister to discharge that function.

Mrs Laing: Indeed. The hon. Gentleman is right. We will debate amendment 37 in the next group, and I am sure I will be called to order if I go into the details of it at this point.

Once again, I am not seeking, and the Select Committee was not seeking, to put forward a coherent succession of amendments in an attempt to change the Bill. I want to make sure that the Committee has an opportunity, as it has now had, to consider the issues of exclusive cognisance and the way in which the Standing Orders of the House will be affected by the Bill. That is why I hope the Committee's Chairman will excuse my arguing against myself, while putting the points that the Select Committee wished to make here. It is important that the results of the pre-legislative scrutiny that we undertook should be put before the Committee.

Sir Peter Soulsby: On pre-legislative scrutiny and the point made by the hon. Member for Aldridge-Brownhills (Mr Shepherd), does the hon. Lady agree that the fundamental problem with the amendment is that it was tabled in the absence of time for adequate pre-legislative scrutiny, and that it is very much a second-best? The point about the preference of the Clerk for the matter to be dealt with in the Standing Orders of the House ought to have been given more time and more consideration, and there should have been an opportunity for the Committee to consider that as an alternative to the amendment.

Mrs Laing: Yes, the hon. Gentleman is correct. I recognise that that is why he put his name to the amendment. It is a pity that we have not had an opportunity in some other way to go into these matters. However, I reiterate that the Committee has an opportunity now to consider matters relating to exclusive cognisance and the Standing Orders. I hope the Committee will take that opportunity, but I have every confidence that the Minister will also take the opportunity to reassure us. Amendment 33 is merely an alternative that I put before the Committee for consideration.

Mr Jack Straw (Blackburn) (Lab): Since my elevation to the Back Benches six weeks ago, I have put a number of supplementary questions by way of interventions. This is the first time that I have spoken from the Back Benches in 23 years.

It is a delight to follow the hon. Member for Epping Forest (Mrs Laing), who represents my home area, Loughton in Essex, where from a very early age I used to be sent out delivering leaflets and canvassing against the local Conservative party, never to any effect. My mother continued to represent the area in which we lived, first on the district council and later on the town council, until she was in her 80s. Thankfully, she is still alive.

I have witnessed many occasions when a Member has moved an amendment that they do not understand. Indeed, I can think of one occasion 30 years ago on the Finance Bill when I moved an amendment that I did not understand—an embarrassment made worse by the fact

[Mr Jack Straw]

that it was I who had drafted it. For the life of me, I could not work out what it meant, although I am pleased to say that officials in the Treasury, as it turned out—the Minister later showed me his briefing—had gone through all sorts of intellectual contortions to guess at that piece of total gibberish. Never before have I heard an hon. Member from either side of the House move an amendment with which they profoundly disagreed, but I admire the way in which the hon. Lady very loyally made the case for the group's lead amendment while ensuring that her own reservations about it were put on the record.

2.30 pm

The hon. Lady said something very important about the Bill: the reason why the Select Committee ended up with the amendment, which is difficult to follow in its terms, was that it had "rushed through pre-legislative scrutiny". That is the responsibility not of the Committee, but very much of the Government, who decided to push the Bill through for no reason that I can comprehend.

I profoundly disagree with the Government's timetable for the boundaries and AV referendum Bill, but, given the time scale involved, it is at least understandable why they judge it necessary to push the legislation through. The Bill before us is on fixed-term Parliaments, however, and there is not the least prospect of an early general election at any time in the next three years.

Graham Stringer (Blackley and Broughton) (Lab): My right hon. Friend is being slightly disingenuous. Is not the most obvious reason why the Bill is here, before us, that the coalition partners are worried that the other one will welsh out?

Mr Straw: Of course. I was going to come on to that, but I am grateful to my hon. Friend for leading me down that path. There is no reason to rush through legislation for a fixed-term Parliament, because, even if we do not have the Bill, there is no prospect of a general election being called, in almost any circumstances, within the next three years.

The Liberal Democrat and Labour parties were committed by their manifestos to the principle of a fixed-term Parliament, but the Conservatives' proposal ran directly counter to that, because it stated that a general election should be called within six months of any change of Prime Minister, meaning that, if the Prime Minister had suddenly passed away or something else had happened to him and he was no longer in office, we could have had a general election within a twelvemonth.

We know, however, that the structure of the Bill and the rush derive not from the pursuit of a sensible idea for which there is all-party support, but from narrow, partisan reasons related to the internal chemistry that both parties feared and, I think, still fear could be explosive in difficult circumstances.

Mrs Laing *indicated assent.*

Mr Straw: I am glad to have the hon. Lady's endorsement.

As we know, that was precisely the reason why, miraculously, of all the numbers that the coalition partners could have chosen, they originally alighted on the trigger level of 55%, because it would have given neither partner the ability to force an early general election against the wishes of the other.

Mr MacNeil: The right hon. Gentleman says that there is no prospect of a general election for a number of years, but may I mischievously suggest that he shows greater faith in the coalition partners than they show in themselves and each other?

Mr Straw: I would like to have such faith. My faith in the Conservative party's ability to pursue its own interests and survival and to consume other, minor parties—mainly ones beginning with 'L'—is always high. My faith in the Liberal Democrat party's ability to secure its own survival was never particularly strong and has completely plummeted following the coalition deal. Shortly after the election, a Conservative peer told me—literally licking his lips at the prospect—of how he would happily predict that the parliamentary Liberal Democrat party would go the same way as previous Liberal parties, once they had been embraced by the suffocating hug of the Conservative party, and disappear for a number of decades into oblivion. I am glad to see that the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) is, if not quite licking his lips, smiling in approbation at the prospect.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The right hon. Gentleman neglects to mention the Lib-Lab pact in the late '70s, which I am sure he will remember, and that the Liberals got through unscathed.

Mr Straw: But the pact was not with the Conservative party. Sadly, in some ways, the Labour party is far less ruthless than the Conservative party when it comes to worrying about its own survival. I am happy to discuss the details and the highways and byways of the Lib-Lab pact, because I worked as a special adviser, as they were pompously called and, I think, still are, to the great Peter Shore at the time—and necessary it was, too. In those days, at least the Liberals had some sense of which side they were on, but they have abandoned even that idea since.

I shall speak specifically to amendment 4 in the name of the hon. Member for Stone (Mr Cash) and many of my right hon. and hon. Friends, which would delete clause 2(1)(c), the measure providing the two-thirds trigger for a Dissolution. The hon. Lady made a slip of the tongue that, as often with such slips, held a revealing truth. She talked of a motion of "no consequences", rather than a motion of no confidence, and, apart from the fact that I object to the idea of special majorities in the House, it seems to me that the trigger is wholly redundant, unnecessary and, indeed, offends the role of the House in holding the Executive to account. Now that the Liberal Democrats and the Conservatives have had to abandon the completely naked idea of a 55% trigger, which would have enabled the most extraordinary circumstances to arise, they should abandon the provision before us, including the two-thirds trigger, altogether.

The provision was included in the Bill as a copy-out from sections 3 and 46 of the Scotland Act 1998. The Deputy Prime Minister first tried to make up the arguments for the measure on the hoof, and somebody pointed out

to him that such a trigger existed in the 1998 Act. He suggested that it was a completely rigid trigger, and that the only way in which an election for the Scottish Parliament could be called was by a two-thirds majority of every MSP. Closer examination of sections 3 and 46 of the 1998 Act shows that that is simply not the case, however.

Section 3 does, indeed, provide for an early election if

"two-thirds of the total number"

of MSPs vote for one or, as subsection (1)(b) goes on to state, if

"any period during which the Parliament is required…to nominate one of its members…as First Minister ends without such a nomination being made."

Under section 46, the First Minister's nomination is by a simple majority. If it transpires that nobody in the Scottish Parliament can command a simple majority—in other words that no confidence in either party is declared and the Government in Scotland cannot continue—there is by virtue of that fact an election, and that is entirely right.

Alec Shelbrooke (Elmet and Rothwell) (Con): I am listening carefully to the right hon. Gentleman, and I want to push him on the points that he is making. The possibility of a no-confidence vote still exists in the Bill, and if a Government could not be formed in 14 days we would go to a general election. Would he prefer the power to call a general election to remain solely in the gift of the Prime Minister or in the gift of this House?

Mr Straw: I am in favour of a fixed-term Parliament, although I would have wished it to be four years. So, too, did the Liberal Democrats wish it to be four years. Indeed, they spelled that out in a document dated 10 May 2010 headed "Recovery and Renewal", which contained their proposals in the coalition talks for what became the coalition agreement. I am indebted not to the department of open government in the Liberal Democrat headquarters for providing wider sight of this, because whatever they think about the Freedom of Information Act 2000, they certainly do not apply it to themselves, but to the *New Statesman* and its website. For greater accuracy, however, I have a copy here. It says:

"Immediate legislation to…set the date of the next election for June 2014, and establish"—

Tristram Hunt (Stoke-on-Trent Central) (Lab): Ah!

Mr Straw: I will repeat that because I know that my hon. Friend must have misheard it:

"Immediate legislation to…set the date of the next election for June 2014, and establish the principle of four-year fixed term Parliaments in future."

[Interruption.] The Deputy Leader of the House is mumbling from a sedentary position. If he thinks that I have misread that, I am extremely happy to be corrected. However, it ill behoves the Liberal Democrats—I am sorry, I almost said the Conservatives: that was a Freudian slip—and, particularly, the Deputy Prime Minister to suggest that a five-year term is a matter of principle, as opposed to a four-year term, when they proposed a four-year term and agreed to a five-year term only as a result of some rather scrubby back-stairs deal.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): Let me try to help the right hon. Gentleman, because I do not believe that he was here on the first day of Committee when we debated this matter, which is in clause 1. As we are now on clause 2, I do not want him to find himself out of order.

Mr Straw: I am sure that that is a matter for the Chair, but I was simply trying to provide a comprehensive answer to the hon. Member for Elmet and Rothwell (Alec Shelbrooke).

If we have a fixed-term Parliament, then of course the power of the Prime Minister to call an election is very significantly modified. I am concerned about the rights of this House. This House works by passing legislation, and all other matters, on the basis of votes by a simple majority. If we had a written constitution, which I am not against, we could have a separate debate about whether there should be some means or other of entrenching certain basic provisions. We are doing that in practice for some, but not others, by way of referendum, and for some, but not others, by way of convention and cross-party consensus. Meanwhile, however, regarding how this place works and good governance, we operate on the basis of a simple majority.

What we should be doing in the Bill is laying down a fixed term—I would prefer it to be four years, but it is going to be five—and then accepting the reality that circumstances could arise in which a Government of the day lost the confidence of the House. There is no alternative to that. No new Prime Minister could suddenly pop up and regain the confidence of the House. That being the case, there has to be an election, as happened after four and a half years of the '74 to '79 Government. It seems to me that those should be the only circumstances that should trigger an early election. I do not want there to be provision whereby, by some method or another, whether it is by a majority of a half, 55% or 67.5%, a package of Members can be got together in order to hold a general election. Nor do I think that those provisions would ever be used, because they are so complicated. There is no point in our passing legislation that has no significant purpose.

Mr MacNeil: I am genuinely listening with an open mind to what the right hon. Gentleman is saying about a simple majority in Parliament. However, how can we control a Prime Minister who has a majority in the House and whips his party to vote for his will? How can we maintain the power of the Parliament when the Prime Minister controls parliamentarians through the Whips?

2.45 pm

Mr Straw: The hon. Gentleman raises an important point as to whether a Prime Minister anxious for a general election could engineer a vote of no confidence. Even if these provisions stand as they are in the Bill, that would still be a technical possibility.

Mr MacNeil: It would be less likely.

Mr Straw: No, it would not. There is nothing in paragraph (c) that would, in law, prevent a Prime Minister from being party to an arrangement to secure his own demise and go for a general election. If these provisions go through, there will be nothing, in law, that can be done about that theoretical possibility.

[Mr Straw]

Professor Robert Hazell, in evidence to the Lords Constitution Committee, made a very pertinent comment on this point when he said that political incentives should prove a force for stability. Whatever may have been appropriate in Germany in one very unusual case where the Chancellor did indeed arrange to move a motion of no confidence in his own Government, the prospect of a Prime Minister of this country coming to the House to move a motion of no confidence in his own Administration without suffering immediate popular and parliamentary derision, and a significant loss of votes at the poll that would then follow, is fanciful.

Mr William Cash (Stone) (Con): I might have expected that the right hon. Gentleman would hit the nail on the head. He is really talking about the great damage that lies within these provisions—namely, that they are in defiance of the democratic mandate. This is about Whips and patronage; it has nothing to do with the people outside. My only suggestion—it is not a criticism—would be that he may want to qualify his reference to the impact on this House by talking about the impact on our electoral and democratic system and thereby the damage done to the people of this country.

Mr Straw: I accept what the hon. Gentleman says and thank him for the compliment.

I have a number of rules that I try to follow in politics, one of which is that fancy tactics never work. This is a fancy tactic. I am sorry to say—it is not that I have anything personal against them—that one can see the Liberal Democrats, who were, as described by one of their members, a perpetual Opposition think-tank until they suddenly and unexpectedly found themselves in government, thinking up this wheeze on the basis that because it had happened in Scotland and, no doubt, in Latvia or Leichtenstein, it would work here. However, we have a more direct system of democracy; we may criticise, and I hope that we do. *[Interruption.]* I hear someone referring to Scotland. I happen to think, on reflection, that the relevant section in the Scotland Act is redundant, but different considerations applied at the time. One consideration—I mean this in no disobliging way to Scottish colleagues of all parties—is that the Scottish Parliament is a creature of this House, legally, whereas we have to be responsible for our own rules.

Mr MacNeil: Thanks for the SNP Government, then.

Mr Straw: It is the first time that I have ever been thanked for anything by a member of the Scottish National party. I hope that next April and May it says on every leaflet how deeply grateful the SNP is for the possibility and opportunity to serve in a Scottish Government and to enjoy all the rewards that have come its way from the money that the British people, of all parties, have provided.

The First Deputy Chairman of Ways and Means: Order. The right hon. Gentleman said that he had some rules. Could he have another rule, which is to speak to the amendments in the group?

Mr Straw: I am sorry that I digressed, Mr Evans.

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): This is not a fancy tactic—I would not know one if I saw one, although if I did I am sure I would have learned it from the right hon. Gentleman. It is very straightforward. We decided that if there were a general view in the House that there should be an early election, the House should have the power to cause one.

The right hon. Gentleman gave the example of Germany. The reason why the Government there engineered a vote of confidence was because there was no other mechanism for an early election. If we were to remove our provision, then if there were a general view in the political classes and in the country that there should be an early election, the only way of having one would be for the Government to engineer a vote of no confidence. That would not be very sensible or very honest.

Mr Straw: We need to speak about possibilities in the real world. The only example in recent times that I can think of when a Prime Minister has wanted to call an election of choice, without any necessity due to his parliamentary majority, is that of Edward Heath in January 1974. There was no way he would have got a two-thirds majority in favour of a Dissolution. In my view, the country as a whole and the Conservative party would have been saved a great deal if there had not been an early Dissolution at that point. I simply say that if we are to have fixed-term Parliaments, which is a good idea but will have consequences, we must ensure that a Government can get booted out only if a motion of no confidence is passed.

Chris Bryant: Is there not one other very significant difference between the drafting of the Scotland Act 1998 and of this Bill? In Scotland, the process involves considerable consultation with wider civic society and all the political parties, because it was concluded that the electoral system should virtually guarantee that one political party would never enjoy a majority. That is very different from the situation here.

Mr Straw: My hon. Friend makes a very important point.

Mr Cash: Following the Minister's intervention, may I take the liberty of correcting a point that was made regarding the German situation? Under the German constitution—a written constitution, of course—a two-thirds majority must be in each house, whereas the Bill's provision applies only to the House of Commons. In addition, and more importantly, it must be two thirds of all those who vote in the Division in question, not two thirds of all seats. That is a very important difference.

Mr Straw: I accept that, and the history of the German constitution is very different from the history of ours, even though to a large extent we wrote it.

I will finish where I began, by referring to the explanation by the hon. Lady of the amendment that she moved, with which she does not agree. She pointed out that that was a consequence of her Committee having to rush through pre-legislative scrutiny. I sat on the Front Bench for part of the debates on the Bill, and I have yet to hear any convincing explanation from the Minister as to why they had to rush the Bill through.

Mr MacNeil: Does the right hon. Gentleman agree that the higher the percentage of parliamentarians required to trigger an election, the less likely it is that any Prime Minister will call an election of choice, because it will be more difficult for them?

Mr Straw: If a Prime Minister really wanted to call an election of choice, they would not worry about the two-thirds majority requirement, because they would be very unlikely to get it. They would instead go for a motion of no confidence.

By legislating for a fixed-term Parliament, we will establish a clear political norm that Parliaments last for five years. Leaving aside the argument about whether the term should be four or five years, I happen to support that principle, and I believe that is where the British people are. However, if the confidence of the House is lost, or the Government of the day simply give up and vote for a motion of no confidence, there must be an election. In the absence of that, there should not.

I have arranged to go and sit in Westminster Hall at 4.30 pm to listen to a debate on a matter of interest to all Members from east Lancashire. If this debate is not concluded by then, I hope I may be excused.

Mr Cash: The Chamber is very empty, considering the significance of what is being done by clause 2. In a way, that reflects the decline of this Parliament, which some of us believe strongly needs to be rejuvenated, not on the basis of protestations of power being returned to the House, as we read in our manifesto, but in the reality of how legislation is introduced.

The clause is the turn of the screw by the coalition into our democratic system of government, which, at its essence, is about the individuality and votes of conscience of MPs, irrespective of the Whips and the patronage system. It creates a permanent constitutional change through a passive, silent revolution—the most silent revolution since our Parliament began. It is being done without a mandate of any kind for any party, in any manifesto, in any part of the political system.

Tristram Hunt: Is the hon. Gentleman as shocked as I am by the new constitutional principle that we are hearing from the Secretary of State for Business, Innovation and Skills—that the manifestos upon which individual Members of Parliament were elected no longer mean anything, because the coalition agreement somehow supersedes everything that they were elected to stand for?

The First Deputy Chairman: Order. That is not part of the amendments before us, so Mr Cash, could you restrict yourself to the amendments, please?

Mr Cash: What I am saying, Mr Evans, is that the clause is being introduced without a mandate, using Parliament and patronage to undermine Parliament itself, not only now but in future. The voters, who have reposed their trust in us as MPs, are being severely damaged by what is being done today. As for the future, to quote T. S. Eliot's "Burnt Norton":

> "Time present and time past
> Are both perhaps present in time future
> And time future contained in time past.
> If all time is eternally present
> All time is unredeemable."

So is this act of constitutional vandalism.

My amendment 4 is based on a simple point of principle, namely that a motion can be passed by a simple majority of one, as has been the case from time immemorial—from the very inception of our parliamentary process in what is sometimes described as the "mother of Parliaments". That is now being changed in a manner that will seriously alter the method whereby a Government may fall.

The merits of the various amendments, such as amendment 33 and my amendment 4, may differ. However, mine, which has been supported without my encouragement, I have to say—by the Leader of the Opposition and therefore by the Opposition themselves, has the merit of simplicity and maintaining the status quo. Why have I tabled this amendment? It is because I object to the new-fangled idea that an early election would result from a motion, perhaps proposed by the Opposition, any MP or even the Government themselves, that requires—this is contrary to all constitutional precedent and history since our Parliament first sat representing the electors of this country—the support of two thirds or more of those eligible to vote as Members of Parliament. In other words, we are talking about seats and not the persons present in the House of Commons. That is a profound and dangerous doctrine

3 pm

Graham Stringer: I profoundly agree with the hon. Gentleman. Are there not two very offensive things about this proposal? It means that hon. Members of this House are equal apart from when there are votes for a Dissolution; if a Member is voting in a minority, their vote is worth more. Even more strange and offensive is that if a vote were to take place now, the electorate of Oldham East and Saddleworth would be enfranchised, when they are not enfranchised for any other vote in the House. Such a situation is absurd and offensive.

Mr Cash: The hon. Gentleman's point is extremely sensible and full of common sense, which is what this Bill lacks. This is about something else; it is not about the manner in which our democratic system functions. It is about something completely different and I will come to that in a moment.

Mark Durkan: Does the hon. Gentleman not think that his case against the idea of a special weighted majority for Dissolution in this House would be more credible if he had not previously proposed amendments to the Parliamentary Voting System and Constituencies Bill that required a threshold of support for any referendum on the alternative vote? He supported other amendments as well, which required not just a threshold that related to those who voted, but to the total number on the electorate. Is there not some hypocrisy in the argument he makes today?

Mr Cash: I am more than delighted to reply to the hon. Gentleman. Sparring with him always causes me great amusement. As for what he says, there is a substantial difference. The threshold amendment that I moved on the other Bill was to do with the threshold of a number of people who would participate in the election, and not what was going on in this House. It was not even related to the question of the threshold of those who voted yes, as in the Scotland Act 1998 and the amendment of

[Mr Cash]

George Cunningham, the then Member for Finsbury and Islington, so there is a significant difference. I am talking about the trust that is given to us in this House and the manner in which we discharge it.

The coalition originally proposed 55%, but that was so manifestly absurd that the coalition agreement was then torn up and the figure was replaced with two thirds. If not 55%, why two thirds? The Scottish Parliament—I am using this analogy because it has already been raised, but I think that it is completely irrelevant—does not form Her Majesty's Government. Decisions in time of war, a Finance Bill or any of the other great levers of power are determined, and will continue to be determined, by the United Kingdom Parliament. One such great exercise of power at a most important time was the confidence motion of 10 May 1940, which was passed, as it happened, by the Government, and it led to the demise of Neville Chamberlain's Government, because everyone knew he had to go. I do not regard the Scottish parliamentary experience as relevant. If not two thirds, why not 75%, 60% or any other number that Harry Potter's wand might conjure out of thin air?

Mr Straw: Will the hon. Gentleman speculate on what he thinks would have happened if the two-thirds rule had applied in May 1940?

Mr Cash: Absolutely. I entirely agree with the right hon. Gentleman. Furthermore, there was the motion of no confidence in the Callaghan Government in 1979, in which the numbers of votes were 310 against 311. The result of that vote may have been a matter of satisfaction for the Conservative party, but I am sure that it would not have been to others. However, if the two-thirds rule had been in operation, there would not have been a change in Government and that would have been a disaster for the country.

Mr Harper: I am listening very carefully to my hon. Friend. I think that he is confusing the two different processes in the Bill. There is provision for having an early election if the Government lose a vote of no confidence. That is by a simple majority, as now, and it is not changed. The other provision is an extra power for the House of Commons, which it does not have today, for two thirds of MPs to vote for an early election. We are not in any way, changing the ability of a Government to be held to account by having to have a simple majority.

Mr Cash: It is only because I have not completed my remarks that my hon. Friend's intervention seems understandable. I do not dispute the fact that a vote of confidence by a majority of one would apply in the circumstances described in the clause, but—this is the other side of that equation—we then get into the question of the 14 days and the shenanigans that would follow with all the Whips and other people manoeuvring around to guarantee that the vote of confidence would be secured. We go back to my main point: it is the power of patronage of the Whips and the determined and ruthless exercise of that power that lies behind this proposal. That is my main objection to the whole thing irrespective of the fact that there is no mandate for these provisions from any political party.

Mr Christopher Chope (Christchurch) (Con): When we talk about the law of unintended consequences, which applies big time to the provisions of the Bill, will my hon. Friend not apply that in his mind to what is happening in Ireland at the moment? There is a constitutional crisis that requires the Prime Minister, in honour, to put an issue to the electorate for a general election. This Bill would preclude the Prime Minister from doing a similarly honourable thing in this country.

Mr Cash: My hon. Friend with his customary originality brings into play a contemporary example. Imagine a two-thirds rule being applied in respect of Mr Cowen at this moment. Be in no doubt, there would be riots in the streets of Dublin. This is an essential question about the irresponsible manner in which this power could be used to induce results that are fundamentally undemocratic.

Mr Straw: I understand the Minister's point that these provisions relate not to a motion of no confidence but to other motions for an early Dissolution. Given, too, the poor definitions of a motion of no confidence, we could anticipate a situation in which a Government who wish to cling to power, even though they lack a simple majority, could dodge and weave—because they determine the business of the House—for quite a period and ensure that the motion that went before the House was tabled under clause 2(1)(c) requiring a two-thirds majority in the hope of buying themselves a little time. If this provision were not in the Bill, the choice between going to the end of the period and having an early election would be much more stark.

Mr Cash: The right hon. Gentleman demonstrates why many people thought that he was one of the foremost leaders of the House of Commons. He understands the mechanics that lie behind such questions. Precisely what he has just said could easily happen. Indeed, many other things are likely to be conjured out of thin air by the wave of a magic wand of the kind that only Harry Potter seems able to use.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I cannot understand how Ministers can argue that the Bill takes power away from the Prime Minister and gives it to the House of Commons. In 1979, the intention of the provision would have been to prevent the House causing a general election. The Prime Minister would have been in the driving seat, with 14 days to cook up some kind of new deal to stay in power. How is that taking power away from the Prime Minister?

Mr Cash: I entirely agree with my hon. Friend. It is such a shame that more people are not here to hear some of the criticisms that are being made of the Bill. We are not criticising it because we want to be difficult or because we are the awkward squad; we are criticising it because it is a profound constitutional issue. The provision is intended to be permanent, not a will-o'-the-wisp measure that will last a few months, and it will induce permanent constitutional change—it is a constitutional revolution, but a silent one, as I said.

A majority of one is at least understandable and can be calculated. I referred to the German example. Their measure operates on the basis of those in the House itself when the vote is taken, which raises a series of

questions about the manner in which the Government's proposals would operate. If we have a provision that is based on a fixed number of seats, it will not matter at all whether people turn up. Why bother with a Parliament in those circumstances? What would be the point if it were simply a question of the number of seats? Who occupies them, what they think about things or whether they have a view to express would not matter. That is an outrageous proposition, and I cannot believe that my hon. Friend the Minister is prepared to subscribe to such arrant rubbish. The reference in the Bill to the number of seats carries an analogy to the Rump Parliament to extremes.

The proposal is based not on any constitutional principle but the expediency of propping up, if necessary, the "temporary alliance", which is how the "Oxford English Dictionary" describes a coalition. The measure, for all I know, may run foul of the internal contradictions of putting two parties together that, in certain but not all respects, have entirely contrary views on matters of fundamental constitutional and political importance, such as the alternative vote, which a number of my hon. Friends and I voted against. We are Conservative, and we believe that the alternative vote is the wrong way to go. We believe in first past the post and in a simple majority, because they account for the individual conscience of hon. Members, and not merely the number of seats. Dare I even mention the European question, because that is also part and parcel of the shift in the fundamental balance of power away from this House?

The coalition agreement illustrates that point. At the heart of that arrangement, there are some destructive and some constructive proposals, and some are unworkable. For example, under the agreement, Liberal Democrats have a right or duty to abstain on important matters. The 55% rule proposal was abandoned not only because of its absurdity, but because of opposition to it. The reason for the two-thirds rule is that it will be easier for the Whips to fulfil their masters' wishes. Their power would be imperilled if a motion were conditional merely on a majority of one. That is the crunch.

The principle of the majority of one proves my point, as the right hon. Member for Blackburn (Mr Straw) indicated in an intervention. I responded to him by referring to the 1979 Division, when there was a majority of one. I find no merit whatever in moving away from the virtues of a simple majority, although I doubt that the Leader of the Opposition, who signed amendment 4, would be so firmly enthusiastic for Margaret Thatcher's victory in 1979. However, I repeat that I have not tabled that amendment for the sake of the wishes of the Opposition. I simply believe that we adhere to the simple majority.

3.15 pm

Mr Harper: My hon. Friend has mentioned the 1979 example twice now. As I said, the Bill would not change the situation when there is a motion of no confidence in any way. If that position happened now—*[Interruption.]* If the Government lost a Division on such a motion by one vote, the situation would be the same, but the 14 days for the formation of a Government makes things different. Amendment 4, by removing the two thirds majority rule, would effectively mean that anyone who controls a majority in the House can have an election at will—it would effectively give back to the Prime Minister the power to dissolve the House whenever he chooses to do so in a perfectly open way. If my hon. Friend is happy with that, that is fine, but that is not our proposal.

Mr Cash: I understand to a degree where my hon. Friend is coming from, but I am afraid that I am not attacking that constitutional position. I do not believe it necessary to take the power to dissolve from the Prime Minister—that power is based, as it were, on his democratic mandate—and give it to the Whips to engage in their shenanigans in the 14 days following a no confidence motion, as the right hon. Member for Blackburn said.

Mr Harper: Will my hon. Friend make that clear? Is he saying that the intention of amendment 4 is to ensure that the Prime Minister retains the power to seek a Dissolution? I ask that because Opposition Members say that they are in favour of fixed-term Parliaments, albeit there is a debate over whether the term should be four or five years. My contention is that the Opposition's support for amendment 4 effectively drives a coach and horses through their support for fixed-term Parliaments, because it would give the power to dissolve directly back to the Prime Minister.

Mr Cash: The Opposition's thinking is not a matter for me. I happen to believe that our present constitutional arrangement should be sustained. It gives me no pleasure to know that the Opposition will vote with me on amendment 4. Their reasoning does not matter; what matters is the constitutional principle that I am advancing.

Mr Straw: I am grateful to the hon. Gentleman for his generosity in giving way. May I illustrate the point that he and I have made in answer to the Minister's perfectly reasonable point? At first blush, it appears that the provisions of clause 2(1)(c) strengthen the role of the House against the Prime Minister. However, I remember what happened in 1979. I was a candidate at the 1979 election, so I was no longer working for the Government, but I was in very close touch with people for whom I had worked for three and a half years and knew a lot about what was happening. There was a crisis over the outcome of the Scottish Assembly referendum, and the Commons needed an occasion on which it could give vent to that feeling, because the various smaller parties had to have their positions put on the record. Had there been a provision in legislation for an early Dissolution by two-thirds majority, the Government of the day—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. Interventions must be shorter. I understand that the point has to be made, but I would be grateful if we could get to it quickly.

Mr Straw: In that situation, the Government of the day would have worked with the smaller parties and said, "You can have your shout on the two-thirds majority, and in return, we'll give a bit of extra cash to Northern Ireland," and so on. That would have happened. Therefore, the motion of no confidence would probably never have been tabled, and even if it had been, it probably would have been lost.

Mr Cash: I understand that point, and the right hon. Gentleman describes a sort of invitation to pork barrel politics.

Mr Harper *rose—*

Mr Cash: The Minister is so determined to speak again that I am happy to give way to him.

Mr Harper: I am simply participating in the debate. I cannot agree with the right hon. Member for Blackburn (Mr Straw) on his characterisation of the 1979 situation. The motion in March 1979 was not about giving vent to anything; it was very clearly about whether the House had confidence in Her Majesty's Government. I assume that everyone who voted for it had a clear idea what would happen if it were carried. It was, and there were consequences. It states:

"That this House has no confidence in Her Majesty's Government",

so I cannot believe that anyone was confused about what they were doing.

Mr Cash: I will now move on to the very question that is being discussed, which is motions of no confidence and what they really mean. There are various permutations, which are well described in the Library note, but the issue for me is basically this. In my belief—and according to the House's tradition and its conventions, which are now to be overtaken by statute—a majority of one should remain. However, in that 14-day period, with shenanigans worthy of Lord Voldemort and the servants of the Dark Lord, an attempt would be made to keep in power a Government who had lost the confidence of the House of Commons—that is, the representatives of the electorate. That attempt would keep the Government on their feet, while the public would be left watching the spectacle of streams of members of the Cabinet and prospective members of the Cabinet from the Opposition parties striding up and down Whitehall, in and out of offices, all under the baleful influence of the Cabinet Secretary, as they tried to hatch yet another coalition agreement, no doubt based on very different principles from those for which the electorate had voted, in accordance with the parties' respective manifestos or—dare I use the words?—their promises.

As to the question of what confidence motions actually are, they are various. In 1945 it was Churchill versus Attlee, and the Government won. Then there was Attlee against Churchill in 1952, and Gaitskell against Eden in 1956, when the Government won again. There was also Wilson against Heath in 1972, on the European Communities Act, when there was thought to be quite a lot of manoeuvring on the question of whether there had been a free vote or not. I will not go down that route now, but examples of where the Government have lost confidence motions include the Liberal Government of 1895, the Baldwin minority Conservative Government—note: minority Conservative Government—in 1924, the MacDonald Government in 1924, when there was again a Dissolution, and, of course, the famous Callaghan defeat by Thatcher, by 311 votes to 310.

Mr Shepherd: I am getting increasingly impatient in one sense, but on the distinction between what is a confidence motion and what is not, I put this proposition to the Committee. If the Government lose the Budget, that is it. My understanding of our constitution is that that would be the end of the Government.

Chris Bryant *indicated dissent.*

Mr Shepherd: Well, Governments have resigned on the loss of such votes. Therefore, what constitutes a motion that arrives at that result? What my hon. Friend has been quoting were dates, not motions.

Mr Cash: It is very rare that I say this, but I do not agree with my hon. Friend about that, because although those are dates, they are also about matters of huge political significance to the country at the time.

Mr Shepherd: That applies to the Budget.

Mr Cash: Indeed, and my hon. Friend is right on that point, because it is not just about the business; in my judgment, it is about the sense of feeling in the country and the outrage in the House about the policies that are being pursued.

Mr Jenkin *rose—*

Mr Cash: I will give way to my hon. Friend for the last time.

Mr Jenkin: It is worth reminding the Committee that the words on the Order Paper in May 1940 were "That this House do now adjourn".

Mr Cash: Indeed, but that was about the sense of outrage over what had been done. That could apply to a Budget, as my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) said, or to any other situation. It could have applied to Suez or, for example, the Iraq war. For all those reasons, the confidence motion, in whatever terms it is expressed, is just that: do those voting in the House of Commons at the time, by a majority of one, have a sufficient degree of confidence in the behaviour and policies of the Government?

Mr Shepherd: I am grateful for my hon. Friend's tolerance in giving way again, but the outcome of the vote in 1940 was the resignation of the Prime Minister, not the Government as a whole. Although the Government went with him, they reformed themselves, so what happened was not an electoral matter; it was the outcome of a confidence motion in the individual who headed the Government.

Mr Cash: I agree with my hon. Friend on that, but there was also the sense of outrage that was being expressed. As that occasion has been raised three times already, let me mention in passing that, as it happens, it took place on the day that I was born, but there we are.

What does such innovation say about the coalition? It certainly demonstrates its determination to stack the cards firmly in favour of the coalition and the Whips. There may well be one third whom the coalition cannot take for granted or persuade, but I fear that that attitude is taking power away from Parliament—which, after all, is made up of the representatives of the people—and not giving it back. If the same principle were followed for any other motion, Parliament would simply not be able to carry out its business. I fear that what is proposed is not modernising, but is a reactionary measure. It is not progress, but a step backwards, along the primrose path, undermining the constitutional principles that have governed our conventions and been tested over many centuries. The proposal has been conjured out of

thin air, for the ruthless purpose of maintaining power irrespective of the consequences. In my opinion, it is a great shame that it has been put forward on the proposition that—as was said in the general election and at the conference that took place recently—we are supposed to be "Working together in the national interest". I fear that on this Bill, on this matter, we are working together against the national interest.

Mr George Howarth: Long before anybody else on the Opposition Benches supported amendment 4, standing in the name of the hon. Member for Stone (Mr Cash), I added my name to it. I listened carefully to what he said. He used the terms "Whips" and "patronage" to describe what he believes lies behind the provisions in clause 2, which I think is just a shorthand way of saying that we are talking about monolithic party structures that, generally speaking, follow whoever happens to be leading at any given time, and the instruments of that are the Whips and patronage.

I am a party political creature. I would not be in this House under any title other than that of "Labour Member of Parliament". However, at the same time, I believe that we are sent here to exercise our judgment, particularly on issues such as that we are discussing, which, as the hon. Gentleman said, have not really been tested before the electorate. Fixed-term Parliaments and the alternative vote system were in our manifesto. However, the provisions in clause 2 that he has discussed were in nobody's manifesto, so I feel in no way obliged to support them.

My hon. Friend the Member for Stoke-on-Trent Central (Tristram Hunt) may correct me on this, but those who follow history, such as the hon. Gentleman, will know that it was quite common in the early to mid-19th century for Governments to change and for votes of no confidence to be taken. In fact, quite often the country would go for several weeks without an effective Government in place. However, the difference then was that party political labels were almost meaningless: the Liberal party did not exist in the form that we later came to know, while the Conservative party was a collection of factions.

In those days, it was possible for Governments to change their leadership and even the coalition that supported that leadership without there necessarily being a general election. We do not live in such circumstances now, and it is important to be mindful of the arrangements that we put in place for the Dissolution of Parliament or any other means by which to change a Government in mid-term.

Grahame M. Morris (Easington) (Lab): In reality, if a Prime Minister commands a majority in the House of Commons, instead of seeking to obtain a two-thirds majority in the House, will they not simply repeal or amend the Bill?

Mr Howarth: My hon. Friend makes a typically good and well thought through point. I do not want to make a long speech, but the simple point—this is why I support the hon. Member for Stone—is that if the House decides by a simple majority that it has lost confidence in the Government of the day, that should be enough.

3.30 pm

We invoke what people outside think, but they would be astonished if they thought that the Members of Parliament, regardless of party labels, whom they send to the House to represent them were able to pass a vote of no confidence in the Government, but not by what has been called a sufficient super-majority to make any difference. We would seem not to have been given additional powers, as the Minister seems to argue, but to be impotent. That cannot be good for Parliament, for politicians and certainly not for any of us as individual Members of Parliament. I am pleased to support the amendment tabled by the hon. Member for Stone and I hope hon. Members on both sides of the Committee will support it in the Lobby if there is a Division.

Chris Bryant: It is a delight to see the hon. Member for Epping Forest (Mrs Laing) back in her seat. She introduced a new concept of votes of no consequence. On the Opposition Benches, it often feels as though every vote is one of no consequence, but we hope that with more support in the coming days, we will manage to turn that around.

The hon. Lady said one important thing—*[Interruption.]* She has doubtless said many important things, as the Minister rightly reminds me. In particular, she said that she disagrees with the amendment she tabled, which was interesting. She also referred to the fact that her Committee had had virtually no time to do what she called pre-legislative scrutiny. In fact, I suggest that a far more sensible procedure for engaging in all legislation, and particularly that on constitutional reform, is to publish the Bill in draft, send it to a Joint Committee of both Houses and provide an opportunity for evidence to be taken, and at the end of that process it can be brought to the House. That is not what has happened in this case. She and others referred to the coalition as something of a matrimony, but the Book of Common Prayer states that holy matrimony should not be enterprised or entered into

"unadvisedly, lightly, wantonly or to satisfy…carnal lusts."

My fear is that this part of the Bill has been entered into unadvisedly, wantonly and to satisfy the lusts of the coalition partners who want to ensure that they remain in power for as long as possible.

The process has been wrong, and I say gently to the Minister that in our debates last week he referred at the last minute to consultation that he was going to engage in with the devolved Administrations in Wales, Scotland and Northern Ireland. I understand that he has written to one Member of the House about that, but he has not written to me, and he has not written to any other hon. Members who were involved in the Committee stage, so I hope that he will take this opportunity to assure us that he will write to us immediately.

Mr Harper: Frankly, the point of order that the hon. Gentleman raised last week was nonsense. He did not give me notice of it, so I was unable to respond. I listened carefully to last week's debate and responded to it. I then made an announcement of Government policy in this House at the Dispatch Box, which I thought was the usual way of conducting business.

The following day, I wrote to the leaders of parties in each of the devolved Assemblies, as I said I would. I did not put anything in those letters that I had not announced

[Mr Mark Harper]

in the debate. I also wrote to the shadow Justice Secretary, who leads on political and constitutional reform for the Opposition, to keep him properly informed. I placed copies of all those letters in the Library.

The Chairman: Order. We should not be rehashing previous points of order. We should be dealing with the amendment. I am sure that Mr Bryant wishes to do so.

Chris Bryant: Yes, indeed. This is just about the process and the fact that it has been the convention in every Committee stage in which I have been involved for Ministers to write to all members of the Committee, and, when the Committee is sitting on the Floor of the House, to all those who have taken part in the debate.

My point is that clause 2 has no electoral mandate. Clause 1 has some degree of mandate, in that we had proposed in our manifesto that there should be fixed-term Parliaments, and the Liberal Democrats had made a similar proposal. I do not believe that there is a mandate for a five-year fixed-term Parliament, as both political parties had previously said that they were in favour of four-year fixed-term Parliaments. Clause 2 has absolutely no mandate from the electorate. Indeed, the proposals in it run directly counter to those in the Conservative manifesto, and to what the Prime Minister said as Leader of the Opposition in relation to the reform of the power of Dissolution. He said that he would introduce legislation to ensure that, should there be a change of Prime Minister as a result of the party in power changing its leader, there would be a general election within six months, but that is not the proposal that we have before us today.

Mr Jenkin *rose—*

Chris Bryant: Of course I will give way to the lion of the right, as I believe he is now known.

Mr Jenkin: Lion, maybe. I should like to draw the hon. Gentleman's attention to the fact that the parliamentary Conservative party gave no mandate to the leadership of our party for a fixed-term arrangement of any description. The parliamentary party was consulted about whether there should be a coalition, and whether there should be a commitment to a referendum on the alternative vote, but the question of a fixed-term Parliament was never mentioned. Nobody knew anything about it until it appeared in the coalition agreement.

Chris Bryant: The hon. Gentleman is absolutely right. That is true not only of his party but of the Liberal Democrats, who said that they were in favour of a fixed-term Parliament although there was no reference in their election material or manifesto, or in any of the speeches made by the now Deputy Prime Minister, to any provisions for determining when an election might be held or for introducing a super-majority. When their lordships consider this legislation, it is important that they bear in mind the fact that the conventions relating to matters that are adumbrated in a general election manifesto simply do not apply in this case. There is absolutely no electoral mandate for this provision.

The aetiology of clause 2 is pretty straightforward. It comes from the coalition agreement. I know that the hon. Member for Epping Forest is keen, for her own reasons of propriety, to stick to voting for proposals that are in the coalition agreement. However, she has complete freedom in relation to today's amendments, because these provisions are not mentioned in the agreement. It states:

"We will establish five-year fixed-term Parliaments. We will put a binding motion before the House of Commons stating that the next general election will be held on the first Thursday of May 2015. Following this motion, we will legislate to make provision for fixed-term Parliaments of five years. This legislation will also provide for dissolution if 55% or more of the House votes in favour."

I completely agree with the articles that were then written by several Members, the most impressive of which was probably that by the right hon. Member for Haltemprice and Howden (Mr Davis) and published in *The Daily Telegraph*. In it, he stated:

"The requirement for a 55 per cent majority to dissolve parliament, and thereby dismiss a government, dramatically reduces the ability of Parliament to hold the executive to account."

If that was true of a 55% requirement, it is even more true of a 67% requirement. Moreover, that requirement would involve 67% of not only those who voted but of all the seats in the House, even those that were vacant at the time and also, presumably, those of the Deputy Speakers and the Speaker, who would presumably not be allowed to vote. Those seats would therefore automatically be included with those who had voted against holding an early general election.

There is absolutely no mandate for the provisions in clause 2. I believe that it will entrench the powers of the Executive, rather than releasing their grip on Parliament. An important point has been made by several hon. Members, not least my right hon. Friend the Member for Blackburn (Mr Straw), the former Home Secretary—I could list all his jobs as he has held almost every job in the Government apart from Prime Minister; perhaps that will come one day. They pointed out that the clause introduces a new super-majority, which is alien to the processes of this House. There has never been a super-majority provision. The provision is introduced by statute rather than through the Standing Orders, so again it is the Executive forcing their will on the House rather than the House taking this forward.

Mr MacNeil: Philosophically, this change has come about because of the practice of Prime Ministers choosing to go to the country at a moment that suits them and their political party rather than the country or anybody else. Margaret Thatcher did this and plenty of other Prime Ministers have done it. How does the hon. Gentleman square the circle of getting away from that rotten practice and moving towards a fairer and more equitable practice?

Chris Bryant: The most important element of the Bill as a whole is the introduction of a fixed term. As the hon. Gentleman knows, I would prefer a four-year period, but it is five years in the Bill. The presumption should be in favour of a fixed term. It is absolutely right that the Prime Minister should no longer have the power to dissolve Parliament and that the Dissolution should rest solely with Parliament rather than with the Prime Minister. To achieve such a handing over of power, we also have to change the prerogative power to

prorogue Parliament. Otherwise, it would be perfectly simple for a Prime Minister who wanted to ensure an early general election—for whatever set of reasons—to bypass the two thirds majority required in subsection (1), to engineer a vote of no confidence and then to prorogue Parliament immediately so that no vote of confidence in another Government could be called.

Mr MacNeil: The hon. Gentleman will be familiar with the workings of this place, whereby a Prime Minister could simply use his Whips to whip his party and secure a simple majority. How is that circle to be squared? We could say that in one sense Parliament has the power, but in another sense it does not if the Prime Minister can use his Whips to dragoon his parliamentary party into having an election. *[Interruption.]*

Chris Bryant: The Deputy Leader of the House is chuntering away. I think he is trying to talk to you, Mr Hoyle, because he keeps on saying that I am out of order and that I am not speaking to the right part of the clause. Perhaps he could have his conversation with you privately.

The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) is absolutely right in one sense. We have to achieve a balancing act. This House needs to exert its power through its majority to hold the Government to account and, if necessary, to sack the Government. In most circumstances, that has happened when a political party has splintered or when a leader of a party has proved unable to control his or her troops—his, in most cases—through the Division Lobbies. We have seen that happen with the Irish Home Rule Bill and with the Budget at different times, leading to a collapse of confidence in the Government on the Government side and the subsequent fall of that Government. I think that we should still stick with that process.

In case hon. Members feel that in recent times motions of no confidence—and particularly successful motions of no confidence—have been pretty rare, it is worth pointing out that we should look at a longer period of history than just the last few years if we are to set out constitutional change that will stand the test of time. We have no way of knowing what will happen to the political parties, as presently constituted, in five, 10, 15 or 20 years' time.

Looking back over the last 150 or so years, we find that no confidence motions have been used quite regularly and have frequently led to the collapse of Governments. Lord North's Government, for example, fell in 1782. There was also a sustained period in which no confidence motions were common from 1885 onwards; indeed, there were two such motions in 1886, when first Lord Salisbury's Government and then Gladstone's Government fell again on the issue of Irish home rule, which divided the Liberal party—

The Chairman: Order. I am sure that the Committee, like me, welcomes the history lesson, but we must stick to the amendments, from which we are drifting away. The hon. Gentleman may feel that he is in order, but he is not. I would like him to come back to order, and it would also be helpful if he faced the Chair.

Chris Bryant: I am grateful, Mr Hoyle. I will address myself to you more directly. The point I am trying to make is that clause 2 deals with motions of no confidence and early elections and these have been a sustained part of what we have put up with. I am not sure whether you are going to allow a clause 2 stand part debate later. I note that you are saying no, but I hope it will be possible to allow a degree of latitude so that we can consider all the elements of the clause.

The hon. Member for Aldridge-Brownhills (Mr Shepherd) observed that Governments had fallen by virtue of their Budgets' being opposed. One of my arguments is that the whole concept of a no confidence motion is excluded from the Bill. It is not clear what counts as a no confidence motion; nor is it clear, in the part of the Bill that we are currently considering, what counts as a motion calling for an early general election.

3.45 pm

Mr Shepherd: Might that lack of clarity be a mark of the wisdom of past generations? They knew when it had happened that a Government were not sustainable, and they knew when it had not happened. The mood of the House in relation to that of the country was an open question.

Chris Bryant: I am not sure that that is true. It depended on the Crown—that is, the Government or Executive—retaining the power to dissolve Parliament. I do not think that a measure that was considered to be a motion of no confidence in 1865—namely,

"to leave out the words 'clear yearly' and put 'rateable' instead thereof"—

would be considered to be one today, and I therefore think that it would be inappropriate for that power to remain.

The Chairman: Order. The next set of amendments deals with no confidence motions. I think that the hon. Gentleman is in danger of jumping ahead, and I am sure that he does not want to do that.

Grahame M. Morris: I am concerned less about hon. Members' definition of a confidence issue than about whether that definition would be acceptable to the court if a certificate were challenged. However, I accept that that is the subject of a later clause.

Chris Bryant: We will undoubtedly discuss the Speaker's certificate when we deal with later amendments.

The Government have relied for their provision on calling a general election on the fact that there are similar provisions in the Scotland Act 1998. It is true that that Act provides for an early general election when, and only when, there is a super-majority among those voting. However, as I tried to explain to my right hon. Friend the Member for Blackburn, the two measures are completely different. The presumption in the Scotland Act was that it would be virtually impossible for any one political party ever to have a majority in the Scottish Parliament. Incidentally, the Act also contains a provision that is entirely different from the provision in clause 1: it provides that the date of the next general election, if there is one in Scotland, will not be changed at all.

Moreover, the provisions in the Scotland Act mean that if there is no First Minister—which is the equivalent of no one being able to gain a motion of confidence on a simple majority—a general election must follow in

[Chris Bryant]

any event. That, in my view, clearly invalidates the super-majority process, which I think will be used very rarely in the Scottish Parliament.

The problem with the provision in clause 2 relating to a super-majority is that either it is profoundly dangerous because it removes Parliament's power to hold the Government to account, and to be able to sack the Government or the Prime Minister, or it is otiose, because a Prime Minister who wanted to ensure an early general election at a time of his or her own choosing would simply engineer a motion of no confidence or, for that matter—as there is no determinant for what counts as a motion of no confidence—table a motion of confidence in which the Government then chose not to vote. The Opposition would almost certainly vote against the motion of confidence, and an early general election would follow.

Mr MacNeil: The hon. Gentleman mentioned Scotland. An election called by the Scottish Parliament during the period of that Parliament would not necessarily reset the clock. An election would still take place, say, a year or two years later. I understand that here the clock would be reset. There is clearly an incentive to go to the country at different points which does not exist in Scotland.

Chris Bryant: I am grateful to the hon. Gentleman for echoing a point that I made three minutes ago. I still agree with the point that I made three minutes ago, and I now agree with the hon. Gentleman, which is great. We are gathering support in the debate, which is very exciting. I hope that he will support the same amendments as me.

My problem with amendment 33 is that it places all the power in the hands of the party leaders. That is a profound problem, as I hope we are moving into a period when Parliament finds more opportunities to take its destiny into its own hands. I hope various measures that have already been introduced will help in that, and will revitalise the role of Back Benchers and therefore make it possible for not everything to be decided by the party leaders. That is an important principle, and it is why we do not support the amendment—although I realise that the hon. Member for Epping Forest will not press it to a Division in any case.

Mrs Laing: I simply want to say that I agree with the hon. Gentleman; he makes a very good point.

Chris Bryant: I wonder whether I can carry the hon. Lady a little further into even greater acts of agreement. Bearing in mind the stricture she has set herself of not opposing anything that is in the coalition agreement, she should feel free to support us in respect of later amendments on the two-thirds majority, unless she has found some other reason not to do so.

We have tabled one amendment to clause 2: amendment 21. The clause provides for the calling of an early general election, but it does not specify what "early" means in that context. It does not state whether the motion that could be moved in the House would say, for instance, "This House calls for a general election in the autumn of next year," and if so whether that means the general election would be held next autumn or prior to that, as current legislation still allows for the precise date of a general election to be set by royal proclamation, which would obviously be on the basis of advice from the Privy Council, and therefore would in practice come from the Prime Minister.

Therefore, the Bill as currently drafted lacks clarity in this respect. That is why we have suggested that the clause should refer to an "immediate" rather than an "early" general election. That fits with amendments we have tabled to other provisions saying the power to determine the precise date of the general election should not be left to the Prime Minister, and that instead the date should be set.

Mr MacNeil: Will the hon. Gentleman give way?

Chris Bryant: In a moment.

Once the Speaker's certificate has been certified or provided, the general election should be held on a specified date as provided for in legislation, rather than one decided elsewhere.

Mr MacNeil: Will the hon. Gentleman define precisely what he means by "immediate" in this context?

Chris Bryant: Again, the hon. Gentleman is catching up with me. I explained that in my last sentence, but he had already sought to intervene. What I was trying to say was that under amendments we have tabled to other parts of the Bill, the election would take place on the sixth Thursday after the day on which the Speaker had issued the certificate, whereas the clause states that the general election will be held on the date provided for by royal proclamation—I presume under the Great Seal—as advised by the Privy Council, and therefore, effectively, determined by the Prime Minister. I presume those measures have been put in place so as to stick with the current timetable for general elections, which is six days after Dissolution for the close of nominations and 11 days after that for the day of poll, but perhaps the Minister will confirm whether that is the case. If we are putting other provisions on to the statute book, there is no reason why we should not be able to provide in statute the precise day on which the general election would take place. That is my definition of "immediate".

The hon. Member for Stone (Mr Cash) was right in saying that he did not consult the Opposition in tabling his amendment. I have to confess that he got to the Table Office about 20 minutes before we did, so I am afraid that on this occasion we have had to row in behind him. Whereas we disagree on many issues, on this issue we simply agree. Either the provision of a super-majority for the calling of an early general election is dangerous or, like Z, it is the unnecessary letter—it is otiose and is not necessary in legislation. The hon. Gentleman's amendment would remove the super-majority. It would return us almost exactly to the provisions of the South African constitution and allow for an early election on the basis of a simple majority, even though South Africa has fixed-term Parliaments, which have been pretty much adhered to since 1994.

Nic Dakin (Scunthorpe) (Lab): Does my hon. Friend think that such arrangements make things more transparent to the public? Super-majorities are very opaque and are not understandable in these matters, whereas what he is arguing for is much more transparent and understandable, and much better.

Chris Bryant: My hon. Friend is absolutely right. I understand that for there to be a super-majority in this Parliament, 434 votes in favour would be required, although that is before the Bill currently before the other place, the Parliamentary Voting System and Constituencies Bill, comes into operation in an unamended form. We are talking about 434 out of the 650 seats at the moment. As I have said, the arrangement leaves some things completely uncertain; I presume that the Speaker and the Deputy Speakers would not be allowed to vote.

That brings us to another interesting point, which is that, as you will know, Mr Hoyle, under the Standing Orders and the custom of this House, the Speaker and the Chair do not vote unless there is an equality of votes. That is different from the arrangement in the other House, where the Speaker or the Chair of the Committee is able to vote twice. The commonly accepted provision, as stated in "Erskine May", has then been as follows for the Speaker:

"it is usual for him, when practicable, to vote in such a manner as not to make the decision of the House final".

In a vote such as I am describing, there would not have been equality of votes, but if one side had got to 433 seats, would the Speaker be allowed to vote or not? This is slightly complicated when there are 650 seats, but if the number is reduced to 600, as suggested in the Government's proposals in the other Bill, 400 seats would be the mark that we would have to reach. If the vote is on a knife-edge, would the Speaker and the Deputy Speakers, or the Chair of the Committee, be allowed to vote on such a measure? Importantly, this is not just about the Speaker. If the vote were on a Budget and if we took the advice of the hon. Member for Aldridge-Brownhills that in some situations a Budget decision or a financial decision would be considered a motion of no confidence, the provision would relate not to the Speaker, but to the Chairman of Ways and Means or one of the other Committee Chairmen, who would be chairing.

As my hon. Friend the Member for Scunthorpe (Nic Dakin) said, many difficult elements are involved in operating a super-majority. The biggest problem arises where the Government or the Opposition table a motion seeking to get to that figure and an early general election, and obtain more than half the seats in the House but do not reach the two-thirds majority. In what state would that leave the Government? Would a motion of no confidence immediately have to be tabled for us then to be able to proceed to the other measures? Or would that original motion, by its very nature, have been considered a motion of no confidence, because the Government declared it to be a matter on which winning the vote was an issue of confidence? Again, this provision is either a dangerous or entirely unnecessary element.

Mr Chope: Does the hon. Gentleman accept, therefore, that amendment 4 is the most important in this group? If so, will he argue in support of having a vote on it, if my hon. Friend the Member for Epping Forest (Mrs Laing) withdraws amendment 33?

Chris Bryant: I am enthusiastically in favour of having a vote on amendment 4, because it goes to the nub of the issue; in large measure, it deals with the only issue of significance in this group of amendments.

Mr Cash: In case there were any doubt about it, may I tell the Committee that I shall certainly be putting amendment 4 to the vote?

Chris Bryant: In case there were any doubt about it, I shall join the hon. Gentleman in the Division Lobby unless the Whips manage to get to him, which is very unlikely. They rarely manage to get to him—he is an undiscovered country beyond whose bourn no Whip has ever returned, since we are doing "Hamlet" this afternoon.

The Chairman: Order. It may help the hon. Gentleman to know that the Chair will decide on which amendments the Committee may vote.

4 pm

Chris Bryant: Of course, but I will not look for you to join us in the Division Lobby, Mr Hoyle.

The Government might say in their charming, elegant and smooth way that this is a hypothetical situation because the honest truth is that in all normal circumstances no Government and no Prime Minister would ever choose to circumvent the power of the House on the two thirds majority that would be needed to call an early general election by enforcing a motion of no confidence. I echo the words of the Clerk of the House in a memorandum on the Bill to the Select Committee on Political and Constitutional Reform: there may be little risk of an accident if one drives up the motorway on the wrong side of the road at 4 o'clock in the morning, but the impact if there were an accident is likely to be very serious, and so although the risk of a dispute about a vote to dissolve Parliament being argued out in the courts might be small if it were to happen, its impact politically and constitutionally would be very great. That is why I say to the Government that although I understand how they have ended up with this legislation—it is not that I detest every element of it, although I dislike the process and I dislike the use of the period of five years instead of four and so on—and although I think there are elements of the clause that are right and proper, I think that they have not thought through the full possible consequences of the legislation.

I can easily foresee a time when a Prime Minister who is desperate to have a general election because of war, an immense financial collapse or something else that he thought was of absolute centrality to the Government that he—

Mark Tami (Alyn and Deeside) (Lab): Or she.

Chris Bryant: Or she. I thought I just heard my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) speaking in my ear.

If that Prime Minister felt that it was essential in the interests of the nation that there should be an early general election, the Government would be prepared to bypass and use every trick in the book to secure an early election. They might well have this Bill in their back pocket as a means of achieving that. So although this Government were supposedly trying to release the grip of the Executive, they would have enhanced it.

I want to reaffirm our commitment to fixed-term Parliaments. That means that we have to lay down in statute that it is for the House, not the Prime Minister, to dissolve Parliament. It should also be for the House

[Chris Bryant]

to decide the precise date of the general election, which should be in statute, and we should have only one process of calling an early general election. We must be clear that the Government need always retain the confidence of the House of Commons and that should be written in statute now.

For most of the 20th century, we have had very few hung Parliaments, but I suspect that there might well be more in future. We need to ensure that our provisions will stand the test of time rather than simply being drawn up to appease the coalition agreement.

Mr Shepherd: Mr Hoyle, I have a point of inquiry following your response to the Opposition's Front-Bench spokesman, which is about the stand part debate. As the amendments are theories in concatenation, it is difficult to address an amendment in isolation without reference to a wider context.

The Chairman: It is unlikely, not ruled out. The other point is that I am not sure that we will even get there. At the rate at which we are going, we have quite a while to go yet.

Mr Shepherd: Thank you, Mr Hoyle. I shall start with my first observation, which is that the test of each clause in both of the constitutional Bills is to ask in what way it enhances the role of the people in relation to Parliament. The answer, again, is that this does not. The measures are meant to be an internal reorganisation of the rules and regulations of the House of Commons effected through statute. We have had advice from the Clerk of the House that, if challenged, it will be open to judicial interest and the views of the courts. Historically, this matter has always been determined within these precincts and so the question of what we call parliamentary privilege is particularly germane to the Bill. I am very concerned about that. I make the perhaps minor observation that in a struggle between a new Government without a mandate and the House of Commons authorities, who are appointed by the House, I would back the advice of the House rather than that of the politically motivated and interested Government of the day. I do not dismiss the Clerk's memorandum or accept the response to it, which is effectively like that television sketch "Computer says no." That is an extraordinary and very undignified response to the Clerk's advice on something that is of the greatest importance to Members of the House, and through them, citizens' rights, activities and freedoms.

My next point concerns the accumulation in clause 2 and the proposed amendments to it of purposes, or distinctions between ways of dissolving Parliament. These measures have shifted my position from benign acceptance of the concept of a fixed Parliament to one of questioning whether there was not greater wisdom in the proceedings and processes that we had before. These measures worry me enormously. My hon. Friend the Member for Epping Forest (Mrs Laing) generously moved an amendment in which she has no confidence in order to test a proposition, and she did test it—to destruction. On examination, the amendment is too threadbare and offends the very conscience of why we are here. It suggests that some Members' views on whether a Parliament should stand or not should be disregarded because they do not have a party leader who represents a certain number of votes. I do not know how such an amendment got through the Select Committee but I think it was to form the basis of some sort of standing order that could be cooked up to meet the point about judicial inquiry into the purposes or nature of the Bill.

Let me make another point about motions for an early election or of no confidence. We have tickled, argued and considered across the Chamber the way in which Mr Callaghan accepted that there had to be a general election, but that was nearly at the end of a five-year Parliament. There was very little scope beyond going the few months left, but he stood up immediately and said, "There will have to be a general election." I remember the perfervid moments of the Maastricht debates and the subsequent consequences of a Government who had a very small majority wanting to increase the rate of VAT on domestic fuel. The motion was to be vehemently opposed by people such as myself, who had lost the Whip, but not just because of that—it was an opposed measure. It could not have fallen but for the support of Conservative Members who took a broader view on it, and it did fall.

The argument that was put by the bastion of the 1922 Committee and the Whips, of course, for they have an argument for all seasons, was that if it fell, the Government would fall, and that the solemnest duty of any Conservative Member was to support the measure because the confidence of the House stood in the Budget. I shall always have a soft spot for the Justice Secretary—then the Chancellor—because when he lost the vote, he said, with that famous giggle, "Oh, we'll have to have a corrigendum Budget." We duly had one on the following Thursday. I am really talking about the pressure that was put on Back Benchers, because we were told that the Government would fall.

If I had stood in front of my constituents at the general election and said, "I've got two little measures. The short title of one of them is the Fixed-term Parliaments Bill, but the long title seems to contradict that concept," they would have been bemused. If I had then started talking to them about the nature of confidence votes and motions for an early election, they would have been struggling. We were entering an election and they knew what it was about; there was a crisis. There was a huge public deficit and anxiety about jobs, yet here was Shepherd of Aldridge-Brownhills troubling them with the notion that

"each member of the House of Commons who at the time of the motion being made is the registered leader of a registered party"

and so on. If I had done that, my constituents would have thought, "Well, he's been with us a long time," and they might have made a different judgment in the election.

The measure has no mandate. I have opposed other constitutional measures, but however wrong I thought the balance of the argument was for the detail of the Scotland Bill proposed by Labour, no one could say that there had not been a national convention on it. There was no political party in Scotland that had not long resourced such a measure. I recall John Smith's role and that of a whole series of people. They were alert and alive to the issue. No one could claim that there was no mandate for the reforms and changes that took place under the sovereignty of this Parliament to create a Scottish legislative structure and to pass powers to Scotland. The constitutional developments in Wales and Northern Ireland were similar.

Those measures could claim a mandate. The 19th century is often cited, but these are long struggles. I was a little riled by the Labour spokesman because he referred to the 18th century. It is proclaimed that the glory of the House is reflected in our coming to the democratic age—it is rather like dividing up what happened in a great empire—but the democratic age is fairly fresh and young and new. It did not really start until the 1860s. That was when political parties were formed and there was a more regimented approach to the management of the House—not easy to do. There was a glorious extract from the *London Illustrated News* next to the office of my hon. Friend the Member for Stone (Mr Cash)—I now know where Pericles found the stones to get over his lack of confidence. The extract was from the Queen's Speech—then Her Majesty Queen Victoria. The burden of it was to say, "This parliamentary Session"—well, this particular parliamentary Session will last for ever, but apart from that—"Her Majesty's Government will concentrate on foreign affairs. It will leave domestic legislation to the House." Just like that. That is a world away from where we are now—where the Government have to fiddle and twiddle, and do everything at the behest of a very informed—

The Chairman: Order. The hon. Member for Rhondda (Chris Bryant) also gave us a history lesson and had to be reminded to come back to the amendment. I am sure that the hon. Member for Aldridge-Brownhills (Mr Shepherd) would prefer to stick to the amendment. I realise that we can broaden things out, but we are going a little bit too far from the measure.

Mr Shepherd: Of course, I joyously do that. Implicit in every line of the measure is the management of the House. That is the only reason why I diverted slightly to recall the *London Illustrated News*.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The hon. Gentleman is making another fine speech, which I am always glad to hear. He spoke about the mandate for constitutional change and the previous mandates that previous changes have enjoyed. Does he agree that it is important to have a mandate not only to introduce a change in the constitution such as that proposed, but to entrench it? Without such a mandate, is there not a danger that future Governments may feel that they have the authority to introduce such constitutional changes to their own benefit, much as the present Government are seeking to bring in a constitutional change through the measures in the Bill for their own benefit?

4.15 pm

Mr Shepherd: I like the young new Member vigorously advancing an argument that I find so convincing.

The measure is not appropriate for a serious democracy. Clause 2, as my hon. Friend the Member for Stone said, is an endeavour to entrench. It is as simple as that. We cannot ignore a wider picture of what is going on. At this moment, loyal and good dinner guests of those who run my party are marching into the Lords to take their place. Their doing so means that when the Bill comes to be voted on—remember, the other House that has to deal with that is the Lords—the numbers able to vote on it in the Lords in the Conservative and Liberal Democrat interest will have increased exponentially.

Overall, the Bill—clause 2, the other clauses, the Speaker's certificate, the idea of a registered leader of a registered party and so on—is, if not humbug, then designed to defeat the very purposes that most of us in the House want: an open, democratic House. I know that this is difficult in politics, but my Conservative colleagues should listen, understand and think about the 200 very new Members in the House who are going to change a constitution without any reference point other than party loyalty. Party loyalty to what? No mandate? They are going to march blindly through the Lobby at the behest of the concept of party, when in a coalition that is a very different matter.

I shall certainly vote for amendment 4, and I hope there will be many who take that course.

Mark Durkan: Many valid arguments have been made about this group of amendments by a number of right hon. and hon. Members. I have total sympathy with the cynicism that has been expressed about some of the devices in the Bill and the motives for them.

However, I believe totally in the idea of a fixed-term Parliament and have supported amendments that clearly stated "fixed term", although I believe that the term should be four years, rather than five. I have to ask myself, as all of us as legislators and members of the Committee must ask ourselves, if we do not like the present provisions, what is our alternative that would mean that we have credibly passed a Bill for fixed-term Parliaments? That is where I part company and cease to be persuaded by some of the arguments that I hear in respect of some of the amendments.

With reference to cynicism about the motives, a number of hon. Members have articulated the basic nature of the Bill. It is the means by which the two coalition parties have created a statutory harness to keep them together for this Parliament. It is, in essence, a fixed this-Parliament Bill, rather than a Fixed-term Parliament Bill. It is designed to solve the conundrum of either party collapsing the coalition. The Parliamentary Voting System and Constituencies Bill is for fixing future elections. This Bill is about fixing this Parliament.

If I want the Bill to be a Fixed-term Parliament Bill, I have to be judicious about its content and any amendments that I might support. That is why I have some questions about some of the amendments that have been so articulately presented today.

The hon. Member for Epping Forest (Mrs Laing) presented amendment 33 with a white flag and in a very novel way, which just goes to show that it is entirely possible for people to present themselves in all sorts of ways in the House. People say that a Government would not use or exploit in any way a no confidence motion against themselves, but any available device will be used in any particular circumstances. That is the nature of politics.

The hon. Member for Rhondda (Chris Bryant) spoke to amendment 21 and made a strong case for an "immediate" as opposed to an "early" general election. The only problem is that if "immediate" can mean only six weeks, as he said to the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), what happens if, for example, we are close to Christmas—perhaps the middle of November—notwithstanding that allowances will be made for holidays? If we are truly to take

[Mark Durkan]

account of media coverage and other activities during that time, is it credible to confine ourselves to six weeks and six weeks only? Clause 2 as it stands allows for consensus in the House on the need to bring forward considerably the due date for an election, and people might do so conscious of current and pending events.

Another hon. Member mentioned the situation in Dublin at the minute, and many people would say that, although confirmation of an early election there has helped to clear the political air, going for an immediate election might cause more market turmoil not just for Ireland, but for others. There are times when we need to leave ourselves and this House the room to make a distinction between "early" and "immediate".

Mr Cash: I am well aware that the hon. Gentleman is pretty close to and talks frequently with those in southern Ireland and in the Dail, but I doubt whether the Dail or the people of Ireland would be particularly enthusiastic at this moment, when the Government are in coalition with the Greens, to have such a provision imposed upon them. I suspect that, if the idea were suggested, it would lead to serious disturbances in Ireland, and I am quite sure that the hon. Gentleman will agree.

Mark Durkan: The hon. Gentleman raises some wider questions, and you, Mr Hoyle, have said that the next group of amendments deals with confidence, but this debate has strayed well on to that ground and conflated the two issues of whether the House, by a weighted majority, calls for an early election or whether it passes a motion of no confidence in the Government.

In 1994, the Government changed in the Dail. The Labour party left its coalition with Fianna Fail, supported a motion of no confidence in the then Taoiseach and reappeared in a new coalition with Fine Gael and the then Democratic Left. In that situation, as in the Bill before us, provision has been made for a Government to change—a new Government to be constituted—in the lifetime of a Parliament, and in 1994 the people of Ireland settled quite happily for that.

Chris Bryant: My hon. Friend does not like my "immediate" provision, but I shall suggest one reason why he is wrong. The Bill, if unamended, means that Her Majesty by royal proclamation under the Great Seal, after conferring presumably with the Privy Council, determines the date of the general election, but that in essence is down to the Prime Minister. Surely, if the whole point is to take that power away from the Crown and to place it here in Parliament, there should be provision for an "immediate" general election.

Mark Durkan: I take the hon. Gentleman's point about trying to remove powers from the Prime Minister, but I am not sure that all the amendments that he supports would do that. I think that, in a fairly effective way, the powers would remain pretty heavily with the Executive.

I am not fully persuaded of the case for the amendment. I fully accept the argument that it would bring some clarity and put some control in the hands of the House. However, there could well be good, logical reasons for having an election that occurred to people at the time, possibly well in advance of a due election date. There could be political difficulties in one of the devolved regions that are leading to elections there, or particular market issues, or all sorts of crises in Europe—although I do not want to excite the hon. Member for Stone (Mr Cash) with that prospect. A variety of reasons could create a coincidence of interest across a number of parties from a number of places to say, "We'll have an early election", and a date could be set without necessarily having to do it in crisis mode for six weeks hence.

The beauty of a fixed-term Parliament is meant to be that, because we all know the dates, we do not create uncertainty and have political rushes and get all sorts of brinkmanship games being played. However, if this House is to have the power to dissolve early, it can have that power but not necessarily the power to do it immediately. It can have the power to give due notice that the date is being brought forward but without waiting until just six weeks beforehand. If there is merit in a fixed-term Parliament, there is also merit in leaving this House the opportunity to bring forward a date other than just by a vote six weeks beforehand, because that would create surprise and difficulties and a sense of crisis. I fully accept that the terms of the clause are not fully adequate: the hon. Member for Rhondda is absolutely right about that. We do not have a complete or adequate provision on fixed-term arrangements.

Amendment 4 would remove the requirement for a two-thirds majority. I accept the argument made by many hon. Members that that is a very high threshold. I do not agree that it should be two thirds of all Members regardless of whether they are voting. If we are going to set any majority, or any weighted majority, it should comprise those who are present and voting, so I do not accept the Bill as it stands. However, I cannot just simply go along with the argument that says that there should not be any sort of weighted majority, because then we are not sure what proof we are providing against anybody abusing the numbers in this House to dissolve Parliament early. Other hon. Members have referred to the powers of the Prime Minister and the powers that are exercised through party machinery—the Whips, and so on. Leaving the calling of an early election to a simple majority that can be activated to call an election within six weeks means that huge power remains in the hands of the Prime Minister.

Mr George Howarth: Does my hon. Friend accept that being a Member of this place carries with it not only a lot of privileges but a lot of responsibilities, and that if we can achieve a simple majority, that would mean that more than half the Members of the House of Commons—people who have been sent here to exercise their judgment—had reached the conclusion that the time was right for a general election? I cannot for the life of me see why he finds that a difficult concept.

Mark Durkan: I believe in the idea of a fixed-term Parliament. I am therefore not comfortable with the idea that, yes, we have fixed-term Parliaments, but that at any time a simple majority can call an election for six weeks hence. That is what I am being asked to vote for as an alternative to what is provided for in the Bill. The Bill is not perfect, and it is badly motivated—I am as cynical as anybody else about that—but I have to be judicious and logical about what I would provide in its stead.

There is an old joke about somebody going into the two-hour dry cleaners and being told, "Come back on Tuesday." They say, "What do you mean, come back on Tuesday? It says 'Two-hour dry cleaners' outside." Then they are told, "That's just the name of the shop." That is exactly what we have with this Bill. People say that they want a fixed-term Parliament, but they also want a Bill that means that it will not, in effect, be fixed, because a simple vote at any time can dissolve it—and who is going to be moving those votes and pulling the strings of the Whips behind the scenes? We must remember that at any time, it will be possible for people to force an election by using a simple majority to force through a vote of no confidence in the Government. If there is not a vote of confidence in an alternative Government within 14 days, there will be an election. If people want the means to force an election, that route exists.

However, it is fair and reasonable also to give the House the power to change the date of an election for reasons that are not particularly partisan, that are mature, responsible and well thought through and that can be justified in light of existing circumstances and forthcoming events. The House should be able to say, "We have a fixed-term Parliament, but we are giving all sides ample notice that we will be moving the date." That would not be a matter of artifice or brinkmanship. If the House is being offered such a responsible, mature power that it could use with responsibility aforethought, I find it bizarre that Members are trying to twist and turn to find reasons not to take it.

4.30 pm

I welcome the spirit of the amendments intended to allow parties other than the bigger ones to have a say. The small parties found themselves disqualified from even being able to nominate members of the Backbench Business Committee, for example, so I am conscious that some thresholds being used in the House are a problem. Some of our parties are no longer eligible to be on the British-Irish Parliamentary Assembly, a creature that some of us helped to create in the first place, because of thresholds and the way in which numbers are played with. Therefore, I fully appreciate the spirit of the amendments but I have my doubts about their exact nature and how practical they are.

We need to be careful about the Bill and the amendments to it. We want to ensure that fixed-term Parliaments are in place and that it is not so easy for parties to break whatever convenient glass is to hand in case of emergency. I am persuaded that there is a need for a weighted majority provision, and for a vote that is different in character from confidence votes, which are not threatened by the Bill. If anything, the Bill provides for a situation similar to the one in Ireland in 1994, so I have no argument with it on that score. I do question the terms on which the threshold will operate, and when I question the effectiveness of some of the amendments, I do not in any way give up my cynicism about the nature and purpose of parts of the Bill and its twin, which has now gone to the other House.

Mr Chope: I am against the Bill because of the lack of flexibility in it. From what the hon. Member for Foyle (Mark Durkan) has just been telling us, I think he agrees that if we have a fixed-term Parliament, a lack of flexibility is inevitable. He said that in the current constitutional and financial crisis in Ireland it is reasonable that its Parliament should be able to call what he described as an early general election rather than an immediate one.

However, the consequence of the Bill will be that if we had a constitutional and financial crisis in this country similar to the one besetting the Irish people—God forbid that that should happen—the hon. Gentleman or I might ask my right hon. Friend the Prime Minister whether he intended to call an early general election so that the people could have their say. Under the terms of the Bill, the Prime Minister would turn around and say to me or the hon. Gentleman, "I am sorry, but I don't have the power to call a general election now. The only way I can engineer one is for you to put down a motion of no confidence in me, with the humiliation that it would involve, or for me to try to get a two-thirds majority in the House to facilitate it." The Prime Minister would lose the right to call an election. The Minister seems to think that is a good idea, but I do not. I trust the Prime Minister's judgment on such issues, and I think we should trust the people and let them decide.

When our good friend Edward Heath was Prime Minister, he decided to call an early general election to deal with the miners' strike. The people reached their verdict. Basically, they said, "We think that you have proved yourself unworthy to remain in office." The fact that a Prime Minister calls an early general election does not necessarily mean that they are going to win it. Whether they win or not is a matter for the people.

If there was a financial or constitutional crisis, such as the one in Dublin, a reasonable Prime Minister—I should like to think of my right hon. Friend the Prime Minister as a reasonable man—would say, "In the light of what has happened, we should call a general election. We should call it now. We should not have to have a contrived vote in the House of Commons. I wish to go to the Queen and ask her to exercise her prerogative to call an immediate general election."

Mark Durkan: In Dublin, a budget needs to be passed and then people can make a legitimate judgment. The imperative is to get a budget passed to create some economic and financial stability to boost confidence in the wider markets—not just for the Irish economy but for other economies both inside and outside the eurozone that will be under pressure. There will be an election in late January and that is known, but at least the Dail has the opportunity to pass a budget.

Mr Chope: I will not get involved in the detail of what is happening in Ireland at the moment. If a similar situation were to happen in this country, people might well turn to their Members of Parliament and say, "Why should we trust this Government to pass another Budget when it has made such a Horlicks of the current arrangements? Why don't we elect a new Parliament and a new Government to deal with the crisis?"

Mr Harper: At first, my hon. Friend said that this Bill would not provide any flexibility. Then he set out two ways in which we could have an early election. Our proposition is that it would be up to this House rather the Prime Minister to call an early election. The Prime Minister could come to this House, put down a motion and then Members could decide whether they wanted an early election to deal with the financial crisis. To give the power to this House and not leave it with the Prime Minister is an improvement.

Mr Chope: Where we all part company with my hon. Friend is on the issue of whether a 50% plus one majority should suffice. That is where the amendment of my hon. Friend the Member for Stone (Mr Cash) comes in. In the hypothetical situation that we describe, a majority of this House may decide that there should be a general election, and surely that is reasonable. Why should we have to have the constraints of a two-thirds majority, which is a contrivance in itself?

I had the privilege of introducing the first Adjournment debate in this Parliament when we discussed the issue of the 55%. I like to think that it was largely because of the cross-party ridicule of the 55% arrangements in the coalition agreement that the Government decided to think again. They did think again, but they reached the wrong conclusion. They should have gone back to saying, "Let's have a bare majority" rather than going to the artificial two-thirds majority. They tried to pray in aid, falsely, the Scottish precedent, which was discredited during that first Adjournment debate and on a number of other occasions as not being in line with our situation. In Scotland, there was full public consultation on the new Parliament and the way in which it could be dissolved early, short of the expiry of the fixed term. After that discussion, the Scotland Act 1998 was brought in with the arrangements set out in it.

In the United Kingdom, a general election took place. I and others were elected on the Conservative manifesto. We then found that we did not have an overall majority, so we were forced to go into a coalition Government—at least that was the decision that was taken. We are now told that only a two-thirds majority can bring this Parliament to an early end, short of a vote of no confidence in the Prime Minister. I have all sorts of objections to that proposal, not least that it is effectively retrospective legislation. If this House is to legislate to fix the lengths of Parliament, it should legislate for the lengths of future Parliaments, not the current one. I object to the proposal, and I hope that it is taken up in the other place.

I also reject the idea of the artificial two-thirds threshold, which has not been discussed anywhere. When my hon. Friends consider whether to join my hon. Friend the Member for Stone in the Division Lobby on amendment 4, they should bear in mind not only that the two-thirds threshold was not in the Conservative manifesto, but that it was not even in the coalition agreement. They should be free to say to their Whips, "I said I'd go along with the coalition agreement, albeit reluctantly, but I am certainly not signing up to amendments to the coalition agreement that the Government make on a whim and expect me to support automatically. I'm going to look at each issue on its merits, and I see no merit whatever in the two-thirds majority."

In conclusion, the excellent speech by the right hon. Member for Blackburn (Mr Straw) was well worth listening to. He speculated about the motive and urgency of the Government's proposal. We know what the urgency is: the Government are split completely over the AV referendum. The Liberal Democrats and the Conservatives—the majority party—both want to be sure that the other does not pull the rug from under the coalition Government after that referendum. It is quite possible in my submission that the Conservatives will lose, although I hope not, but who knows what will happen in that game of Russian roulette?

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. Such an experienced Member will know that the referendum is not quite part of this group of amendments. I am sure that he would like to get back to the amendment.

Mr Chope: Absolutely, Mr Hoyle. I am sorry, but the right hon. Member for Blackburn, who is a former Home Secretary and holder of many other important national offices, drew me down that road of speculation.

To sum up, the Government have a motive to cover either outcome of the AV referendum. It suits both parties in the coalition to prevent an early general election, which is why they want a fixed-term Parliament—they want to assure themselves of a longer period in office. I say only this: good luck to them, but they should not expect me to vote for the Bill tonight.

Tristram Hunt: I wish to speak to amendments 33 and 34. Even though I, too, am a member of the Political and Constitutional Reform Committee, I did not put my name to them. As the hon. Member for Epping Forest (Mrs Laing) suggested, they allow us to pursue the idea of exclusive cognisance, and of this place having control of its powers rather than being opened up to external powers, particularly the possibility of the courts intervening in the parliamentary process.

As my hon. Friend the Member for Rhondda (Chris Bryant) said, the Clerk of the House has repeatedly warned Members that the provisions of the Bill

"impinge upon Parliamentary privilege and…may bring the Courts and Parliament into conflict",

and yet the Government seem unwilling to heed any such advice. When the Clerk of House appeared before the Political and Constitutional Reform Committee, with his usual subtlety and modesty, and we tried to press him on whether he had been consulted on the developments behind the Bill, he rather averred in his answer. The Government consider that

"this Bill would cause no such rebalancing and that the Bill will not in any way open up parliamentary proceedings to the jurisdiction of the courts."

That is an idea that the amendments are beginning to tease out. In their reply to our Committee, the Government also said that insufficient time for pre-legislative scrutiny is a

"natural consequence of legislating at the beginning of the first term".

I am a new Member in this place, but I do not regard that as a sufficient excuse for some of the lacunae that we have seen opening up in the course of our scrutiny of this legislation.

4.45 pm

I would like briefly to point to two areas where there are potential openings for judicial intervention in the running of this place. I do not wish to speak to the Speaker's certificates now, because we will return to the specifics of that, but amendment 33 opens up the issue as a principle, because in addition to fixed electoral dates, the Bill empowers the Speaker to produce a certificate for an early general election, which would occur if the House had passed a motion of no confidence in Her Majesty's Government and, after 14 days, there had been no further motion expressing confidence. The

Government are leaving it up to the Speaker to decide whether such events have occurred, but the problem is that the judgment that the Speaker makes will now be placed in statute, as a principle, but it is not an easy decision for the Speaker to make. He or she would have to adjudicate on what constitutes a confidence motion, the selection of amendments to the motion and the consequence of their being carried, all with an eye to major political ramifications. Crucially, because the certificate would be laid out in statute law, any disputes about whether the Speaker had been right to issue the certificate would have to be settled in the courts. The Speaker's certificate becomes justiciable and would therefore be declared invalid if the correct procedures had not been followed.

As you know, Mr Hoyle, lawyers can interpret their way around provisions in any way they like, and particularly those stating that the Speaker's decision is final. There is a celebrated case of a compensation scheme after the Suez crisis, with its legislative provision that

"the determinations of the compensation body shall be final"

not according to the court, which ruled that where the body had made a decision on compensation that was wrong, it was not a "determination" but only a "purported determination", and therefore the courts could still review it. So if the wrong procedures were followed, any certificate would not be a "certificate of Dissolution" properly so-called, only a "purported certificate", and would therefore not be final but would potentially be amenable to judicial review. The Government seem intent on ignoring that possibility and the numerous potential openings for legal dispute.

I hate to refer to your position in depth, Mr Hoyle, but another example is the position and role of the Deputy Speakers, as laid out in subsection (4). Were the Deputy Speakers to dissent from the Speaker's view of the no confidence motion, there would be strong grounds for questioning the basis on which the Dissolution was based. The current provision is that the Speaker must consult the Deputy Speakers "so far as practicable". I am sure that that would be no problem, but the notion of what is or is not practicable in the case of dissent between the Deputy Speakers would also need to be settled in a court of law. As the hon. Member for Stone (Mr Cash) and many others have pointed out, another issue would be whether all Members of the House of Commons had been present at the vote. However, no matter what the reason given, in such politically charged circumstances as those that would surround a vote of no confidence, parties are likely to seek means of challenging the Dissolution. We have also had reference to what constitutes a motion of no confidence. Is it losing a Budget or a specific motion?

Amendments 33 and 34 and others hint at the expansion of judicial review and the danger it poses to this place and to the democratic process and the calling of elections. Judicial review has hugely increased the role of the courts, which now regularly pass judgments on questions that were previously non-justiciable. I suggest that it is dangerous for the Government to assert that when the Bill becomes law it could not possibly be affected by judicial review because the judges would not dare to intervene in the matters of this House. The fact of the matter is that this is uncharted territory and they cannot know for sure until it has indeed been judicially reviewed.

Ian Lucas (Wrexham) (Lab): My hon. Friend is making an extremely important and persuasive case. Is not all the evidence that judicial review of administrative action is increasing? For example, very recently, the Digital Economy Act 2010 was opened up by the courts for judicial review. It is less controversial than this, but it inevitably suggests that there will be more review in future.

Tristram Hunt: My hon. Friend is right, and I shall come in a moment to the Hunting Act 2004, which is another piece of legislation that was open to judicial review. In the courts at the moment, there is the extraordinary situation of an election court judging my—I not sure of the correct parliamentary terminology previous hon. Friend the Member for Oldham

The Chairman: Order. We will not stray down that path, as the matter is before the courts. We must return to the amendment.

Tristram Hunt: Thank you, Mr Hoyle. That proves my point—the areas where we cannot go because they are before judges are increasing.

In his written statement, the Minister simply cites article 9 of the Bill of Rights 1689, and leaves it at that. It provides that

"proceedings in Parliament ought not to be impeached or questioned in any court",

and he said he could see

"no reason why the courts would not continue to defer to them".

The comity between Parliament and the courts has relied on the fact that the internal proceedings were entirely matters for the House's jurisdiction. Its procedures arising from Standing Orders or resolutions cannot be legally challenged, but statute law can. That is the extraordinary development in the Bill.

Mr Cash: The hon. Gentleman is dealing with amendments to come and amendment 6. I take his point, but there is a huge body of law, and statements are being made by members of the Supreme Court that are causing great concern and are being considered by my European Scrutiny Committee's inquiry into parliamentary sovereignty in the context of law making in this House.

Tristram Hunt: I could not agree more with the hon. Gentleman, and I will come to the Supreme Court in a moment. I do not want to interfere with his amendments on the Speaker's certificate, which are absolutely correct. My hon. Friend the Member for Wrexham (Ian Lucas) referred to the Digital Economy Act 2010, and the Hunting Act 2004 was also reviewed in court. Yes, the court ruled that it could not interfere with the Act, but it had to go to the Law Lords for that supposedly self-evident truth to be confirmed. Even there, the judgment was hardly a ringing endorsement of parliamentary sovereignty, which is what amendment 33 seeks to retain.

Mr Shepherd: The process of getting to the courts takes time, and obviates the timetables in the Bill.

Tristram Hunt: The hon. Gentleman is of course correct. There will be extra layers and extra opportunities for lawyers to intervene. It was no wonder that Lord Steyn commented in the light of the Hunting Act 2004 that it

"is not unthinkable that circumstances could arise where the courts may have to qualify a principle established on a different hypothesis of constitutionalism".

[Tristram Hunt]

I think that in plain English that means they would be interested to get their teeth into the proceedings in this place.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Is the hon. Gentleman talking about a legal challenge to the validity of an Act or, as in the example that he has just given, the validity of the use of the Parliament Act in ensuring that an Act reaches the statute book?

Tristram Hunt: The hon. Gentleman makes a very good point, and his knowledge of the Hunting Act is second to none. I am hinting at the adventurism of justices in critiquing and opening up to judicial review not only the Parliament Act but the proceedings of this place. The fear is that putting these measures into statute will open up the calling of elections from this place. That is what amendment 33 seeks to address.

Mr Cash: The hon. Gentleman is relentlessly hunting out the provisions that will be referred to shortly. The problem with the Parliament Act 1911 is that the phrase

"shall not be questioned in any court of law"

follows the words stating that the certificate

"shall be conclusive for all purposes".

When the courts come to interpret these questions, they will say, " Well, that's what it says in the Parliament Act." So if the words were left out, there may have been an intention to include the courts of law in this instance. That is why my amendment 6 makes it absolutely clear that there shall be no presentation of such a certificate to the courts, let alone any possibility of their adjudicating on such matters.

Tristram Hunt *rose—*

The Chairman: Order. We are in danger of straying into amendment 6, and I would like hon. Members to come back. I am sure that that is what the hon. Member for Stoke-on-Trent Central (Tristram Hunt) was about to do.

Tristram Hunt: I was about to come straight back to amendment 33; I will not be led too far astray.

Reference has been made to the new Supreme Court on the other side of Parliament square, which gives the capacity for amendments relating to the self-governing of this place, such as amendment 33, to be overturned by the actions of judges. The Clerk of the House has further warned us of the not infrequent need in recent years for interventions by the Speaker of the House of Commons to protect parliamentary privilege in the courts. As the hon. Member for Stone knows far better than we do, these matters can go from here across Parliament square and even to Europe.

All we want from the Minister is some clarity on this issue, and evidence of some slightly more rigorous thinking than the rushed elements that we have had so far. Rather than being slightly dismissive of the fears expressed by the Clerk of the House, will he provide us with some certainty and a clear answer to the question on statutory instruments and the certificate?

Several hon. Members *rose—*

The Chairman: Order. After such a long debate, may I inform the Committee that I do not propose to allow a debate on clause stand part?

Mr Harper: There are several other groups of amendments, and we can expand on these matters further in due course. I shall go only as far as I need to in discussing this group, rather than trying to accelerate the debate. I want to deal briefly with the timetable. I do not think that the Bill has been rushed in any way. It was published in July, it had its Second Reading in September, and the first day of its Committee stage did not start until November. We have another day in Committee today, and the House passed a programme motion earlier that gives us an extra day in Committee on Thursday. I do not think that we are rushing ahead with this. No knives were included in the programme motion, and we are taking the debate at the proper pace that the Committee requires.

Mr George Howarth: I accept what the Minister says about the timetable for the Committee stage on the Floor of the House. A bigger issue, however, is that there was no time for proper pre-legislative scrutiny before the Bill was published and debated. Such scrutiny would have made many of these issues less contentious, or at least it would have had the potential to do so.

Mr Harper: I do not pretend that we published a draft Bill. We did not, but we have not rushed ahead. We published the Bill in July and it is now November and we are on our second day of Committee. That is hardly rushing through at a tremendous pace. We have not overly programmed either; we have had no knives and only today we have added extra time for the Bill. I do not accept at all that we have been rushing on.

5 pm

My hon. Friend the Member for Epping Forest (Mrs Laing) moved amendment 33 on behalf of some unnamed members of the Committee who—

Chris Bryant *rose—*

Mr Harper: Go on.

Chris Bryant: I would not want the Minister inadvertently to mislead the Committee. He said that extra time has been provided, but he has not allowed any extra time: he has merely allowed the injury time for the three statements that interfered with the debate. *[Interruption.]* If the Deputy Leader of the House wants to make a speech, I am sure he will be able to catch your eye, Mr Hoyle. *[Interruption.]*

The Chairman: Order. I would like to stop this bickering between the Front Benchers. Let us move on.

Mr Harper: My hon. Friend moved amendment 33, although many members of the Select Committee pretended that they wanted nothing to do with it; to be fair, so did my hon. Friend. She explained why the amendment was tabled—to enable this Committee to debate and test the concerns raised by the Clerk. I shall touch on them

briefly. I will not overdo them, as we may have an opportunity to debate them further in a later group of amendments on the Speaker's certificate. However, I shall deal with the amendment. I know my hon. Friend said that she does not want to press it to a Division, but it is the lead amendment.

The amendment would remove two central provisions—the two mechanisms that provide for an early general election to take place: the vote through which the House can choose to have an early election and the mechanism for having one following the loss of a vote of confidence. Instead, the amendment provides that the early election could take place only on the House's address to the monarch, which can be made only

"by the Prime Minister acting with the agreement of…the Leader of the Opposition; and…the…leader of a registered party that received more than 20 per cent. of the total votes cast at the previous…general election."

I have a number of serious issues with the amendment. First, it would prevent the Prime Minister from calling a general election only if he did so for political advantage. It ignores and does not address the circumstances where there is a loss of confidence. It also focuses greatly on Front Benchers, as our debate has made clear. I exempt my hon. Friend the Member for Epping Forest from this criticism, as she said she did not agree with the amendment, but given their views about the role of Front Benchers, I am surprised that the other signatories to the amendment thought that that was a good idea. The hon. Member for Nottingham North (Mr Allen) is not in his place, but I do not think he would mind my saying that he is somewhat sceptical about the power of Front Benchers and the usual channels. I am surprised that he supported an amendment that suggests they should have a lot of power. As the right hon. Member for Belfast North (Mr Dodds) pointed out, not every registered leader of a party is necessarily a Member of this House.

The amendment also fails to deal with what would happen to a party such as the Liberal Democrats, our coalition partners, part-way through a Parliament. How would we take account of the vote it had received at the previous general election? Indeed, the 20% threshold would leave Northern Ireland parties out of the picture completely. If this measure had been in place following the 1992, 1997 and 2001 elections, only two people would have been required to table the motion—the leader of the Labour party and the leader of the Conservative party. In view of what has been said about the need to remove the power of the Executive and Front Benchers, that does not seem a sensible step forward.

It would thus be fair to say that amendment 33 is not well drafted. From what I heard, it does not sound as if it had enormous support across the Committee, including even from my hon. Friend. Despite the fact that she did not agree with the amendment, she moved it in a way that was very becoming to her parliamentary experience and the Committee enjoyed the opportunity with which it was presented.

Sir Peter Soulsby *rose—*

Mr Harper: I give way to the third guilty person responsible for the amendment.

Sir Peter Soulsby: With the amendment's proposers having been at the receiving end of the Minister's criticism, I hope he will acknowledge that it was tabled by members of the Select Committee to enable the matter properly to be debated, particularly in the light of our concern about the lack of proper time being accorded to pre-legislative scrutiny. We wanted to ensure that this Committee could debate the matter on the Floor of the House at this Committee stage.

Mr Harper: I entirely agree. Indeed, I think I acknowledged that that had been the purpose for which the amendment had been tabled.

I can reassure my hon. Friend the Member for Epping Forest that there is no danger of my accepting her amendment, and that as there is not to be a Division—at least if we have anything to do with it—she will not be forced to vote against it.

Amendment 21, tabled by Opposition Members, simply changes the word "early" in clause 2 to "immediate". I have two comments to make. First, under our own arrangements—this too emerged earlier in the debate—we do not have immediate general elections anyway. There is always a wash-up period. Before the 1979 election—which seems to have prompted the most discussion—25 Bills were passed during the wash-up period, including a number that completed all their stages during that period. Some of those Bills were very valuable. I spotted among them the Pneumoconiosis Etc. (Workers' Compensation) Act 1979, which is still helping people today.

Secondly, all that the amendment does is change the language in the clause. It does not, in itself, have any effect. I know that the hon. Member for Rhondda (Chris Bryant) mentioned a later amendment that did introduce a change, but this amendment would not bring an election further forward.

Chris Bryant: The Minister is right: we are not trying to make an enormous point. I simply wanted to tease out of the Government precisely what they understand by a motion calling for an early general election. I wanted to know, for instance, whether—as suggested by the hon. Member for Foyle (Mark Durkan)—he believed that it would be possible to call such an election, and that the Speaker would be able to sign a certificate saying that one had been called, when the House had, say on Wednesday next week, passed a motion calling for a general election in nine months' time.

Mr Harper: I do not think that that is drawn out by the amendment, but I agree with the hon. Member for Foyle (Mark Durkan) that some flexibility is required. The Speaker will certify that a motion has been passed, but we do not know what all the circumstances will be. The hon. Gentleman gave a good example when he cited the way in which Ireland has arranged for procedures to take place to provide some certainty. I do not think that we want to set all the rules in stone. We want to allow the Speaker to be clear with the House—I am sure that he would be clear with the House before it debated the motion—about whether he is able to certify that the motion would trigger an early general election. It is better to leave such matters to the judgment of the Speaker. I will come to the point about the Clerk's concern about justiciability, but I do not think that being too specific would be helpful.

Chris Bryant *rose*—

Mr Cash: Will the Minister give way?

Mr Harper: I will give way to the shadow Minister first, because I said that I would.

Chris Bryant: What the Minister has said makes me rather more worried, and gives me much greater cause for concern than other elements of the clause. The danger is that if we are not clear enough about the precise moment when a Speaker is required by the House to act, we will be asking the Speaker to break his or her impartiality at a moment that may be very, very politically sensitive.

Mr Harper: I do not agree. I think that the Speaker would ensure that the House was clear both about a motion that would trigger an early general election and about a motion of confidence, and about what he would certify, before the debate. I do not think it would be sensible for the House to have a debate when it was not clear about those matters.

We discussed the 1979 debate earlier. The right hon. Member for Blackburn (Mr Straw) tried to suggest that Members had voted on that motion for other reasons, but the motion was very clear in asking whether the House had confidence in the Government, and I suggested that Members could not have been in any doubt about what they were voting for. I think that the Speaker would always want to ensure that the House understood what it was voting for, and the effect of its vote.

Chris Bryant: That is even more worrying. The Minister is now saying that the Speaker would decide whether a motion before the House was a motion of confidence in Her Majesty's Government, which is profoundly worrying. Motions on the Adjournment, motions on all sorts of legislation and motions of censure of individual members of the Government have been determined to be such by the House. If it were for the Speaker to make such a determination, we would have shot the Speaker's impartiality to pieces.

Mr Harper: No, I do not think so at all. At present, whether a motion is a motion of confidence is determined by the Prime Minister; it is determined by how they behave as a result of the vote. */Interruption./* No, it is.

Mr Cash: Will the Minister give way?

Mr Harper: In a moment; let me first address the question I have just been asked.

Earlier in the debate, we had a conversation about motions that were not specifically in these terms, and several Members on the Government Benches referred to certain votes. My hon. Friend the Member for Stone (Mr Cash) referred to some votes on Europe and my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) talked about a vote on VAT on fuel. How the Government behaved after the debates on those motions was determined by Ministers, not the House.

The Chairman: Motions of no confidence are an issue to be debated later. Members ought to be speaking to amendment 33.

Mr Harper: Thank you, Mr Hoyle. As always, I will do as you instruct. I will now take the intervention from my hon. Friend the Member for Stone, so long as he does not try to tempt me away from the instruction from the Chair.

Mr Cash: Some of the Minister's remarks are so completely out of line with reality that I do not think I will bother to intervene.

Mr Harper: Excellent; that is an excellent step forward. */Interruption./* I shall take it as one.

Amendment 4 stands in the name of my hon. Friend the Member for Stone and was also signed by Opposition Members. Effectively, it drives a coach and horses through these entire provisions; the hon. Member for Foyle picked that point up very well. It is because we want to provide for fixed-term Parliaments that the Bill specifies that an early general election can be triggered only if there is a majority of at least two thirds. If it were possible to have an early general election by way of a motion that gains a simple majority, we all know that in most circumstances that would mean that we have given the power back to the Prime Minister. If he felt an early general election was in the interests of the governing party and that view was shared by the governing party, the motion would be passed and we would have a general election, and we would therefore not have fixed-term Parliaments.

I am not surprised that my hon. Friend has tabled this amendment as it is clear from his speech that he does not like the concept of fixed-term Parliaments at all, and that instead he is happy with our current arrangements, which he is entitled to be. However, given that the Opposition have said they are broadly in favour of fixed-term Parliaments—albeit for four years, not five—I cannot understand why they have supported the amendment because, as I have said, it drives a coach and horses through the entire proposition.

Graham Stringer: This is a great constitutional innovation. In respect of these motions, can the Minister explain why some Members' votes will have twice the weight of others'?

Mr Harper: I do not agree with the hon. Gentleman's proposition about the weighting of votes. We have set out a straightforward position. We decided on two thirds partly because it is the majority required in the Scottish Parliament under the Scotland Act 1998, and partly because under the requirement for a majority of such a size no Government since the second world war would have been able to trigger an early election on their own. Effectively, the requirement for a majority of two thirds means that there would have to be some cross-party support and a general mood in the House that there should be an early election.

There was talk about the fact that the coalition agreement refers to 55%, and I acknowledge that. The coalition agreement was put together quite quickly however, and we have since reflected on this question. We wanted to be clear that the Government—both parties together—were going to put aside the prospect of being able to trigger an early general election and that, instead, that could happen only if there was a shared view across the House. The reason we alighted on two thirds was that it was the number used in the Scotland Act 1998, which set up the Scottish Parliament.

5.15 pm

Graham Stringer: I understand the objectives. I am cynical about them and the motives behind them, but the numerical fact is that passing this motion will require the support of 400-odd Members, depending on the size of the Commons at that particular time—perhaps the figure will be 420—whereas stopping it will require only half that number. Therefore, someone's vote against will carry twice the weight of someone's vote in favour. Can the Minister be clear, not on the objectives, but on why he wants to give some hon. Members more voting power than others?

Mr Harper: I just do not agree with the way in which the hon. Gentleman has characterised this. We have said that the support of a significant number of Members is required to have an early election. It is very simple for the House to make a decision. If a simple majority is required to have an early election, we do not have fixed-term Parliaments because if the governing party or parties have a majority in this House, they will simply be able to table a motion, their own side will support it and we will have an election whenever the Prime Minister chooses. If that is what the House wants, fine. However, the House has already decided when it gave this Bill its Second Reading that it wants fixed-term Parliaments, and it did so again when we debated clause 1 last week and decided on the date and the fact that we would have five-year Parliaments. Our proposition is that if we allow an early election on a simple majority, we drive a coach and horses through the Bill.

Mr Edward Leigh (Gainsborough) (Con): Just to be topical, what would happen in a situation such as exists in Ireland at the moment, where there is a weak Government, a coalition breaks up, there is a financial crisis and it is clearly essential that the Government renew themselves with an early general election? What would happen in such circumstances if the Bill goes through as drafted? Would we have the absurd situation that two thirds of Members would have to vote to kill off a Parliament that nobody wanted to survive any longer?

Mr Harper: There are two parts to clause 2. Importantly—some Members were getting this confused—a motion of no confidence in the Government can still be passed by a simple majority. So if a Government did not command the confidence of the House, the House could express that lack of confidence. I shall not go into that in detail, because we will deal with it when we discuss a later group of amendments—Mr Hoyle is clear about that—but the House can vote in support of a motion of no confidence and the Government will then have the period of examining whether another Government can be formed from within that Parliament.

As the hon. Member for Foyle said earlier, when I do not believe my hon. Friend was present, the Bill also provides the opportunity to renew the Parliament if there is a sense that events mean that it needs to be renewed—I believe that is the view in Ireland at the moment. If a simple majority has lost faith in the Government, a motion of no confidence can be passed. If there is a general sense that there should be an election, we have given the House that opportunity—a power that it does not currently possess. I am surprised, as the hon. Gentleman said he was, that some Members of the House sound as though they do not want a power that is not possessed by the House and has previously been possessed only by the Prime Minister.

Chris Bryant: What happens if the Government table a motion calling for an early parliamentary general election—I presume only they will be able to do so—and it is carried by 330 votes, but not by the 434 votes necessary? Could the Speaker, or for that matter the Prime Minister, determine that to be a motion of no confidence in the Government?

Mr Harper: The Prime Minister—

The Chairman: Order. I think we are back discussing no confidence—

Chris Bryant: No—

The Chairman: Order. I am sorry, but I am making a ruling from the Chair. I feel that this is a debate that we are going to have and I am concerned that we are getting drawn into it now. The Minister may answer quickly, if he wishes, but I do not want to let this go any further after that.

Mr Harper: Mr Hoyle, you are pointing out that we can discuss this at length when we get on to a later group of amendments. My view on the hon. Gentleman's example is very clear: if the Prime Minister so wishes, he can cease being Prime Minister whenever he feels like it. The House could then see whether an alternative Government under a different leader could be formed— *[Interruption.]* The hon. Member for Rhondda says not under this provision, but this provision is for an early election. The Prime Minister can cease being Prime Minister whenever the Prime Minister chooses and Her Majesty will then be able to send for an alternative person to form a new Government. That is not what the Bill is about. The Bill is about fixed-term Parliaments, not fixed-term Governments.

Mr Cash: Is the Minister inventing a new kind of leave, called parliamentary leave rather than paternity leave?

Mr Harper: I am not quite sure what my hon. Friend is driving at.

Mr John Redwood (Wokingham) (Con): Another way that Parliament could do what it wished would be to repeal this legislation by a simple majority.

Mr Harper: My right hon. Friend is absolutely right, in the sense that this is an Act of Parliament and can be repealed, but the difference is that it will then engage the other place, in which the Government do not have a majority—and in which we will still not have one when the new peers have been introduced. We think that putting the provision in legislation is preferable to putting it in Standing Orders because the Government then have to get the Bill through both Houses of Parliament, in one of which they do not have a majority— *[Interruption.]* The hon. Member for Stoke-on-Trent Central (Tristram Hunt) says that the Government will

[Mr Harper]

have a majority, but no. Even when the new list of working peers has been created, the two governing parties together will not have a majority. There are Cross Benchers in the Upper House, which he keeps forgetting.

For those reasons, I think that amendment 4 is flawed. If it is pressed to a vote, I urge my hon. Friends to oppose it. The Government's position is very clear. We want fixed-term Parliaments but we want there to be two circumstances in which there can be an early general election: when there is a traditional motion of no confidence, in which a simple majority is enough to say that a Government have lost the confidence of the House; and when the House uses its new power to force an early election, which is decided by two thirds of the Members of the House. The same provision is in the Scotland Act 1998 for the Scottish Parliament. I should say that it is the same provision, because in Scotland it is two thirds of all Members, not just those voting. The hon. Member for Rhondda did not get that quite right.

Whichever of the amendments is pressed to a vote, I urge hon. Members to reject it. We can then move on.

Mrs Laing: It was the Select Committee's intention to give the House an opportunity to debate these important matters and that has certainly been a success. I am pleased to have given the right hon. Member for Blackburn (Mr Straw) his first opportunity to address the House from the Back Benches for more than 23 years. I am grateful to my colleagues on the Select Committee, the hon. Members for Stoke-on-Trent Central (Tristram Hunt) and for Leicester South (Sir Peter Soulsby), for their support for—or rather opposition to—the amendment, which none of us wants to see become part of the Bill but which we are all grateful to have had the opportunity to debate this afternoon. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 4, in clause 2, page 2, leave out lines 3 to 7.—*(Mr Cash.)*

The Committee divided: Ayes 235, Noes 314.

Division No. 131] **[5.23 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Cash, Mr William
Chapman, Mrs Jenny
Chope, Mr Christopher
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie

Rees-Mogg, Jacob
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robertson, Mr Laurence
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Tellers for the Ayes:
Mr Peter Bone and
Mr David Nuttall

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hermon, Lady
Hinds, Damian
Hollingbery, George
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, Mr Elfyn
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher

Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Angus
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Selous, Andrew
Shannon, Jim
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Miss Chloe Smith and Mark Hunter

Question accordingly negatived.

The Temporary Chair (Mr David Amess): Before we come to the next group of amendments, I have the following announcement to make regarding deferred Divisions. On the question relating to local elections in Northern Ireland, the Ayes were 337 and the Noes were 217, so the Question was agreed to. On the question relating to Northern Ireland Assembly elections, the Ayes were 338 and the Noes were 216, so the Question was agreed to. On the question relating to health and safety and the EPR nuclear reactor, the Ayes were 520 and the Noes were 27, so the Question was agreed to. On the question relating to health and safety and the AP1000 nuclear reactor, the Ayes were 517 and the Noes were 26, so the Question was agreed to.

[The Division lists are published at the end of today's debates.]

Mr Cash: I beg to move amendment 5, page 2, line 11, leave out from 'Government' to end of line 14.

The Temporary Chair: With this it will be convenient to discuss the following:

Amendment 22, page 2, line 12, leave out '14' and insert 'ten working'.

Amendment 36, page 2, line 14, at end insert—

'(2A) In reckoning for the purposes of subsection 2(b), no account shall be taken of any time during which Parliament is prorogued or during which the House of Commons is adjourned for more than four days.'.

Amendment 37, page 2, line 14, at end insert—

'(2B) Where the House of Commons passes a motion of no confidence in Her Majesty's Government, the Prime Minister shall tender his resignation to Her Majesty within a period of seven days of the motion being passed.

(2C) On tendering his resignation under subsection (2B), it shall be a duty on the Prime Minister to advise Her Majesty to appoint as his successor the person who appears to him most likely to command the confidence of the House of Commons.'.

Amendment 25, page 2, line 24, at end add—

'(6A) In this section a "motion of no confidence in Her Majesty's Government" shall be—

(a) in the terms "This House has no confidence in Her Majesty's Government" or

(b) in the terms "This House has no confidence in the Prime Minister".'.

Mr Cash: During the previous debate, we covered an enormous amount of the ground contained in this group of amendments, so purely to clarify the position I should say that, although the previous amendments dealt with early parliamentary elections when the motion might as well be a confidence motion but of course might not, this group relates to a motion of no confidence. I accept the Minister's point that such a motion would require a simple majority, and I do not need to say any more on that.

I have already explained the variety of confidence motions, but I am afraid I have the gravest disagreement with the Minister about his definition of a confidence motion. I am very concerned indeed, and for reasons that I shall go into when we reach the next amendments on the potential role of the judiciary. It is impossible for the Minister to explain what a vote of no confidence is, and he certainly has not done so today.

It is extremely difficult to define a vote of no confidence, because it covers a vote on an Adjournment, on the reduction of a Minister's salary, on Suez, on the defeat of the Callaghan Government—and Margaret Thatcher becoming Prime Minister—by a majority of one, and many other situations. There is a raft of different definitions, and what troubles me is that right at the heart of the matter is one simple proposition, summarised by Leo Amery on 7 May 1940, when he got up during a very charged debate on the Norway issue and said to Neville Chamberlain:

"In the name of God, go."—[*Official Report*, 7 May 1940; Vol. 360, c. 1150.]

Although the Government won that vote of confidence, because enough craven people were prepared to vote for them, Chamberlain knew the game was up. The confidence motion was therefore—even in that case—defeated, and he went. The definition of a confidence motion is therefore extremely uncertain. It boils down to the fact that there is such concern about, and lack of confidence in, the Government—let alone the Prime Minister—that he has to go and, therefore, the Government as well. The two things run together.

Mrs Laing: The issue was raised at a Commonwealth Parliamentary Association conference in Portcullis House last week. Currently, there is something of a constitutional crisis in Canada over exactly the same questions: what is a vote of confidence, when is a vote a vote of confidence, how is it defined and who has the power to make that definition? Surely, it would be wrong if our Parliament got into the mess that Canada is in.

5.45 pm

Mr Cash: As the former adviser to Quebec in the Canadian constitutional dispute of 1982, I am not unfamiliar with the problems that arise in the Canadian constitution. Of course, Canada has a Governor-General, and there is a completely different situation there. There was a similar situation in Australia some time ago involving Gough Whitlam.

I would strongly deny, however, that we should be guided by what goes on in other countries: the real issue is what we do in this House. We have an established position that is dependent on the views of the House. My strongest objection to the phrasing of the previous amendment was that it referred to the number of seats in the House rather than those voting in the House. There is a big difference. In Germany, the question of whether a Government might fall would depend on the number of persons present if, under its written constitution, two thirds vote in a particular division, whereas in the case of this coalition Government, it would be dependent on the number of seats. It is necessary to take into account the Deputy Speakers and the people who might be absent. In fact, the clause includes, in brackets, the words "including vacant seats", so the arithmetic is extraordinarily difficult. The real question is whether the Government have lost confidence.

Mr David Nuttall (Bury North) (Con): Would not one solution be to stipulate that any motion of no confidence must specifically relate to this clause, so that there could be no doubt that the motion before the House was covered by the Bill as enacted?

Mr Cash: That is an interesting idea, but that is not what the Bill says, although I am not criticising my hon. Friend for that. The Bill simply says that

"on a specified day the House passed a motion of no confidence in Her Majesty's Government (as then constituted)".

I described in an earlier debate the shenanigans of the 14-day period after a day had ended without the House having passed any motion expressing confidence in any Government of Her Majesty. What happens next is that all these people get together in a huddle and then rush up and down Downing street and Whitehall going to see the Cabinet Secretary and receiving some instructions about what they should do, in his view, if they want a stable Government. The net result is that we have a completely chaotic situation driven by behind-the-scenes, unknown negotiations that are then announced—

Mr Edward Leigh (Gainsborough) (Con): Does my hon. Friend remember—happy days—when we were Maastricht rebels? We defeated the Government on the paving motion, and they then brought in another motion that was related to a no confidence motion, and we were all brought to heel in that way. Although I would not want to encourage that sort of behaviour, at least it was clear, was it not? The Government were saying, "This is where we are—we stand here." At least that made for strong government.

Mr Cash: There is one simple reason why some of us voted for the confidence motion on Maastricht. I remember pointing to the late John Smith, who was then Leader of the Opposition, and saying, "There is only one reason why I am going to vote for the present Government on this occasion, and that is because you are more of a federalist than they are." That is why that vote went that way—it is as simple as that.

This is not only about the shenanigans with the Whips, the patronage, the promises, the chicanery behind closed doors, and all that, leading to yet another coalition agreement, no doubt based on different principles, in order to stay in power. The other aspect—we can get to it later, which is why I am about to bring my remarks to an end—is that it is dependent on the Speaker of the House of Commons issuing a certificate certifying the motion of no confidence. That is an extremely important matter, which we need to discuss properly after the debate on this group of amendments.

I think I have spoken quite enough for the time being, and I would be very glad to expedite matters by moving on as soon as possible to the next issue. I think we will have a very interesting and, if I may so, seminal debate on the role of the judiciary in relation to parliamentary sovereignty.

Chris Bryant: The last moments of the speech of the hon. Member for Stone (Mr Cash) sounded a bit like a trailer for the next debate. If he does not mind we will stick with this one for the moment, although he is absolutely right to say that the way in which all the different elements of the Bill tumble together in a concatenation will make for a fairly dangerous precedent if we are not given further clarification.

It is important that we establish some basic first principles on no confidence motions. First, the Government should at all times enjoy the confidence of the House of Commons. It is important to state that that should be a matter solely for the House of Commons, no matter whether we change the composition of the House of Lords in future, as I hope we do. I note that motions of no confidence have been tabled and debated in the House of Lords, but that is inappropriate. The elected House of Commons, the primary Chamber, should determine whether the Government enjoy the confidence of Parliament.

Secondly, it is important to say that just because the Government lose a vote, they do not necessarily have to fall. That is an important principle because I think that there are only two Prime Ministers since the second world war who have not lost votes at some point. Even Churchill lost one vote in his period as Prime Minister after the war. Attlee lost four, even when he had a majority, and Wilson lost 31, six in his first time as Prime Minister and 25 in his second. Callaghan lost 34, none of which did for him—well, obviously one did in the end. It is a sign of a healthy relationship between the Executive and Parliament if the legislature is able to defeat the Government on occasion on bits and pieces of legislation.

Obviously there comes a point at which a Government might not be able to continue, for instance because they have not been able to get their Budget through in any shape or form, or because they cannot take through some major piece of legislation. In practice, as the hon. Member for Stone mentioned, what has normally happened

[Chris Bryant]

is that the Government have brought forward legislation and then lost a vote on an amendment or some motion. Often, the Opposition have then tabled a motion of no confidence the next day.

The convention of the House—I note that it is only a convention—is that the Government automatically give precedence to a motion of no confidence, so that it can be debated immediately. It is obviously in the Government's interests to resolve the matter of whether the House has confidence in them. I merely note that now we are putting elements of the matter into statute rather than depending on convention and Standing Orders, there is no provision to ensure that a motion of no confidence is guaranteed precedence and can be debated swiftly, one would hope the next day.

Governments have lost large numbers of votes since the second world war and before, and that is important. Some of them have been finance votes, and it is perfectly satisfactory for some finance votes to be lost, for instance on stamp duty or the rate of income tax. On 16 July 1974, the Government lost a vote on a Liberal amendment to the Finance Bill. On 8 May 1978 the Conservatives moved that income tax be cut from 34% to 33%, which was carried against the Government's wishes. On 10 May that year another Conservative amendment to the Finance Bill was agreed to, and the Government lost another motion the next day in relation to sending the Finance Bill off to Committee.

I do not believe that such losses should of necessity mean that the Government should fall, or indeed that they have lost the confidence of the House in its totality. I also do not believe that a motion to censure an individual member of the Government should, of necessity, lead to the fall of the Government, a new general election or to inciting the provisions in the Bill. There have been occasions in the past, when, effectively, a motion to censure an individual member of the Government has been so considered. The last occasion when a Government who had a majority of seats in the House of Commons lost a motion of no confidence was in 1895. The motion was on reducing the salary of the Secretary of State for War, Mr Campbell-Bannerman, by £100 because he had not provided enough cordite to the troops. The motion was carried. Even though Campbell-Bannerman was probably the most popular Member of the Government at the time, he resigned and the Prime Minister decided that he would consider it to have been a motion of confidence, and the Government resigned. The incoming Conservative Government decided to seek a Dissolution and hold an election and the Conservatives came to power.

Mrs Laing: Does the hon. Gentleman not agree that there are rules and conventions about when a motion before this House is a confidence motion and when it is not? Twenty years ago this week, I recall the then Prime Minister, now Baroness Thatcher, saying that she was going to stand down as Prime Minister. The Opposition then tabled a motion of no confidence in the Government, which was quite rightly debated as such on the Floor of the House because we were at a point of crisis. The Government, headed as it still was by Margaret Thatcher, won that vote very distinctly, but it was a motion of confidence. There are strict rules about when it is and when it is not.

Chris Bryant: I do not think that the hon. Lady is right about the strict rule. Her memory of the occasion is right; it was Thursday 22 November 1990. The motion was very clear. It said:

"That this House has no confidence in Her Majesty's Government."—[*Official Report*, 22 November 1990; Vol. 181, c. 439.]

The debate was led by Neil Kinnock, now Lord Kinnock, and the motion was defeated by 367 votes to 247. The hon. Lady makes my point for me. The rules have been very nebulous except where the words are very clear on the Order Paper. Very often, the words on the Order Paper have not been clear.

Mrs Laing: I thank the hon. Gentleman for giving way again. I made a mistake when I talked about a "strict rule". I beg the hon. Gentleman's pardon. The point is that there are rules and there are conventions, but they are not sufficiently clear, so I agree with the hon. Gentleman on this point.

Chris Bryant: I am delighted that we agree because I am sure that that will mean that the hon. Lady will join me in the Division Lobby in a wee while.

Clearly, conventions have operated in this House, but they have wandered with the age. There was a period when there were frequent motions of no confidence and the Opposition thought that it was a good way in which to transact business. For the past 15 years or so, we have not had motions of no confidence, largely because the Government have enjoyed fairly large majorities. Another reason, I suspect, is that there is nothing worse than losing a motion of no confidence and the Government tend to unite in their confidence in themselves. I will come later to discuss one of the dangers of this nebulous relationship. All too often, as the hon. Member for Stone said, the Prime Minister of the day starts saying, "I really want to get this piece of legislation through. If we don't get this through, there will be a general election and I will have to resign. Effectively, it's a motion of no confidence." All too often, pieces of legislation or votes are carried because of the threat of the no confidence motion. It would be better if one had clarity in statute as to what constituted a motion of no confidence.

6 pm

There is one exception to that: motions of censure. Obviously, such motions can relate to an individual member of the Government, the Speaker or any Member of the House. Motions of censure against members of the Government can be made in relation to specific actions that they have or have not taken. The hon. Member for Stone referred to the motion of censure on Suez, but there have been others. On occasion, such motions have been treated as motions of confidence, but they should always be treated as such when they are against the Prime Minister.

One could argue that the two motions in 1924 that constituted motions of no confidence fall into a similar category. On 21 January 1924, after the first general election of that year, the Opposition carried an amendment to the Loyal Address, so that it stated:

"Your Majesty's present advisers have not the confidence of this House."—[*Official Report*, 21 January 1924; Vol. 169, c. 685.]

To all intents and purposes—as plain as a pikestaff—that was a motion of no confidence. Stanley Baldwin subsequently resigned as Prime Minister, but there was

no general election, and the Labour party took over, assisted by the Liberals, in the first minority Government. One day—who knows?—that may come to pass again. I warn Conservative colleagues that that arrangement did not last very long. On 8 October 1924, the specific censure motion on the Prime Minister's refusal to continue a petition against a journal was not carried, but the appointment of a Select Committee was carried. The Prime Minister determined that that was a matter of confidence and decided to resign, and we all know the result.

Mr Cash: The hon. Gentleman makes an extremely interesting case. He has demonstrated that motions of confidence come in all shapes and sizes—the essence of such motions is whether the House of Commons has lost confidence in the Government—but the question whether the courts will get their hands on such matters is the big issue, and that troubles me. However interesting it may be to go through the various facets of this group of amendments, if we are to have a vote on the courts, we must get on to the next group of amendments, because we need to debate that.

Chris Bryant: I very much hope that we do. There are two elements to why this debate matters: first, the role of the Speaker, and secondly, the role of the courts, which is what the hon. Gentleman wants to debate.

Contrary to what the Minister said, the Opposition rather than the Prime Minister often determine what is and is not a motion of confidence. As we heard, the Prime Minister could decide that the question whether the House adjourns is a matter of confidence, or he or she could refer to minor legislation as such. However, the Opposition can not only table a motion of no confidence, but declare that another matter is a matter of confidence. Effectively, they can demand that the Prime Minister address such a matter personally.

On 15 January 1972, Second Reading of the European Communities Act 1972, which I suspect the hon. Member for Stone knows well, was declared by the then Prime Minister to be a matter of confidence. He said that if he lost, there would be a general election. Undoubtedly, some decided to support him for that very reason.

Neil Carmichael (Stroud) (Con): Surely this debate about votes of no confidence is really all about the exercise of the Prime Minister's power, because as the hon. Gentleman has just implied, it is the Prime Minister who decides whether we will have a general election. When Ted Heath used that threat in 1972, he clearly did so quite deliberately, in order to force his side to vote in favour of joining the European Union, and it was his decision whether there would be a general election. Given that, I cannot really see why the hon. Gentleman is going in the direction that he is.

Chris Bryant: Because the legislation is changing that provision in two regards, one of which is the subject of an amendment in this group. The Government—I think rightly—want to say that after a motion of no confidence, there could be two weeks during which the House could, if it wanted, pass a motion of confidence in either the same Government, presumably, or another Government, with either the same Prime Minister or a different Prime Minister, with a different set of ministerial colleagues. That is a change from the situation thus far. There are those who want to remove that two-week element from the Bill. We on the Labour Benches disagree with them, so we will not be supporting that amendment.

There were two occasions, on 11 March 1976 and 20 July 1977, when the motion "That this House do now adjourn" was declared by the then Prime Minister or Leader of the Opposition to be a motion of no confidence, first by Harold Wilson and then by Mrs Thatcher, now Baroness Thatcher. On occasion, the mere involvement of the Prime Minister, by turning up at the Dispatch Box to defend a particular motion or piece of legislation, has effectively turned it into a motion of confidence, and that has transpired during the debate. As we are abolishing the Prime Minister's right to dissolve Parliament and placing that right in the hands of Parliament—we are putting that in statute—it would be better to state in the Bill, in clear language, precisely what constitutes a motion of no confidence, so that there can be no doubt.

I say that for several reasons. First, it would remove the Prime Minister's power to force legislation through by calling it a matter of confidence. Perhaps Members on the Government Benches have not got used to this yet, but when we were in government, it was a fairly common occurrence whenever there was a difficult piece of legislation—whether on trade unions, the war in Iraq or whatever—for the Prime Minister to say, not necessarily in public but certainly in private, that it was a matter of confidence. That has led to some bad legislation in the past, which was certainly not helpful to us, and I am sure that there will be plenty of moments like that coming along for Government Members.

Mark Durkan: Just to reinforce the hon. Gentleman's argument, a case in point when legislation was forced through with the threat that it would be treated as a confidence issue was the Counter-Terrorism Bill allowing for 42-day detention. The then Prime Minister made it clear in his pleadings to me that it would be treated as a confidence motion. He said, "Do you want an election? If you turn up and vote against, there will be an election." He tried threatening me and his Back-Bench colleagues with an election, precisely abusing the notion of a confidence motion, which is why amendment 25, which the hon. Gentleman has tabled, is so good.

Chris Bryant: I am grateful for my hon. Friend's support. He is absolutely right. However, I must confess to the Committee that Prime Ministers rarely said that to me personally, because I was too ludicrously loyal. Almost before the Prime Minister had even thought that a vote might be difficult, I had already decided I would be supportive. In fact, I rarely got to see the Prime Minister for that very reason. I would therefore advise Government Members that if they want to see the Prime Minister on a regular basis, they should start wondering whether they will support Government provisions. However, the serious point is that the freedom of individual Back Benchers will be tethered, because they will constantly be persuaded by the argument, "You don't want a general election, do you? You must support this piece of legislation, because otherwise I'm going to call it a motion of no confidence."

The second reason touches on an important element, on which the Minister got into difficult waters—I know that he does not think that he did, but others of us do, and I think that the courts will feel that too. He said

[Chris Bryant]

that it would be for the Speaker to decide and to announce before any debate what counts as a motion of confidence or, presumably, a motion of no confidence. A minor point is whether a motion of confidence will count as a motion of no confidence if it is not carried. In the past it has, but I am not sure whether the Government intend that.

It would be wholly inappropriate for the Chair to say at the beginning of, for example, a Budget debate that if the House does not carry the Budget and if the Finance Bill falls on Second Reading or Third Reading that would be a motion of confidence in the Government, so he would issue a certificate. The Minister was sighing but is now smiling, and we prefer the smiling. I accept that in that example I am imagining what might happen, but I am more concerned what would happen if hon. Members chose to ask the Speaker whether a motion of censure counted as a motion of confidence. As I understand it, the Minister is saying that the Speaker would be required to adjudicate on whether it was a motion of no confidence. That would be wholly inappropriate, particularly at a time of political uncertainty and high drama, because the Speaker would lose his or her impartiality and be drawn into the political mêlée, and that would be wrong.

Amendment 5 would remove the two-week provision for a new Government to be formed on the basis of a confidence motion. We may have to return to some of these issues on Report, and I would be grateful if the Minister will clarify whether, if that second motion fell, there could then be a subsequent two weeks. We quite like the provision for two weeks—it seems sensible if an alternative coalition or Government could be formed. I see some hon. Members casting a wry glance as though I am eyeing up the Liberal Democrats. We are not getting on very well with the Liberal Democrats at the moment, so I do not think he needs to worry about that, but obviously if the offer is on the table, we will take it.

Amendment 22 is a minor one, and I would be interested in the Government's view. The clause refers to the provision of 14 days being allowed after a motion of no confidence. We have suggested that it should be 10 working days simply because all other references in the Bill are to working days. I suppose it is possible that the period could coincide with a royal wedding, a day of thanksgiving, a bank holiday, Easter or Christmas, and it would seem to be sensible to specify working days instead of days.

However, we have not moved to the suggestion in other Committees of 10 sitting days, because if the House were adjourned, there would be a specific problem. I hope that the Minister will say what he thinks should happen if the House had been adjourned for a recess—for example, the day after a motion of no confidence. Should there be a requirement for the Government to bring the House back, and should there be a specific provision for the Speaker to be able to require the House to be recalled within the two weeks? We will come to Prorogation later.

Caroline Lucas (Brighton, Pavilion) (Green): On a point of order, Mr Amess. Have you have received any indication from the Home Secretary that she might be coming to the House tonight to make a statement on whether she believes that police tactics outside the House are proportionate? Many hundreds of students and schoolchildren have been kettled for more than four hours and, according to the police, will be out there for several more hours in the freezing cold. Whatever one thinks about the student protest, holding people against their will for no reason is neither proportionate nor effective.

The Temporary Chair (Mr David Amess): The whole House has heard what the hon. Lady has said, particularly those on the Treasury Bench, but that is not a point of order.

6.15 pm

Chris Bryant: Thank you, Mr Amess. I thought that the hon. Lady was intervening on me, but I soon realised that she was not.

I have commented on amendment 22, and I hope that the Minister will be able to respond. Amendment 36 would provide extra time, if the House were already adjourned or prorogued, for the House to come up with a new motion of confidence. In some ways, this mirrors quite a lot of existing legislation relating to Dissolution and Prorogation and to the use of extraordinary powers. For instance, if the reserve forces were to be summoned when the House was adjourned or prorogued, there is a special power for Parliament to be called back early. The amendment seems sensible, and I hope that the Minister will respond to these points before we decide whether we want to vote on it.

Amendment 37 insists that the Prime Minister should resign within seven days of a motion of no confidence being passed. Again, I hope that the Minister will give the Committee his views on this, because this was an element of the Conservative manifesto in the general election. We might therefore want to return to the matter on Report. What does he understand would happen to the Prime Minister if a motion of no confidence in him personally, as opposed to a motion of no confidence in Her Majesty's Government, were carried? What does he think would happen if a motion of no confidence just in the Government were carried?

Our amendment 25 would provide two categories of no confidence motions. The first would be expressed in the terms:

"This House has no confidence in Her Majesty's Government".

The second would have to be expressed in the terms:

"This House has no confidence in the Prime Minister".

That obviously precludes any of the other elements. I think it would be clearer if we set down in statute the stipulation that the section would kick in only in those two instances, as set out in the Bill, and that only in those circumstances would the Speaker be able to issue a certificate.

I understand that some hon. Members think that there should be great leniency and that it should be entirely up to the Prime Minister to determine whether there is a motion of no confidence. I believe that, especially as we move towards a system in which the Government assert that the Prime Minister is relinquishing the power to dissolve Parliament himself, it makes far more sense to make these matters clear in the Bill, rather than dragging the Speaker into what is and is not a motion of no confidence.

Thomas Docherty (Dunfermline and West Fife) (Lab) *rose—*

The Temporary Chair: I call Tommy Docherty.

Thomas Docherty: It might help the House to know that the Scottish Parliament has very specific rules about what counts as a motion of no confidence in the Government. For example, failing to get a Budget through does not count, as we saw just two years ago when the Scottish National party Government could not get their Budget through on the first attempt.

Chris Bryant: I think my hon. Friend normally thinks of himself as a Thomas, rather than a Tommy, Mr Amess. He is similar to Tommy McAvoy, but not quite the same. I think he will take that as a compliment, but I am not entirely sure. He will doubtless tell me later. He is absolutely right about the Scottish Parliament.

The whole thrust of my argument is that, in the past, the House has for the most part proceeded on the basis of gentleman's agreements and of conventions that are not written down anywhere, and on the basis that "Erskine May" is a more important bible than statute law in relation to these matters. However, we are now fixing the length of our Parliaments and moving towards determining many other elements of our constitutional settlement in statute law, and it is vital that we should be clear about what we mean by a motion of no confidence.

I fully accept that other Members might want to include certain other categories. The one other aspect that might be considered always to be a motion of no confidence—so it should perhaps be included—is the acceptance of an amendment to the Loyal Address after a general election. The Bill does not provide for circumstances in which a new Government are formed by a motion of confidence, although that happens elsewhere—in the Scottish Parliament and the Welsh Assembly, for example, where the First Ministers are appointed by a vote.

Thomas Docherty: For further clarification, it is not only the First Minister but each of the Ministers that he or she subsequently appoints who require a formal vote in the Scottish Parliament. Some hon. and right hon. Gentlemen might find that to be a useful mechanism.

Chris Bryant: You would rule me out of order, Mr Amess, if I debated whether there should be confirmation hearings for all Ministers and related matters. I understand why some might say that my amendment could be improved upon by including a third category of no confidence motion—one relating to the tabling of an amendment to the Loyal Address at the beginning of a new Parliament. To those who think that way, I say that it would be better to carry the amendment today so that we improve the legislation and then move further forward to suggest amendments to amplify that provision on Report.

With that, I conclude. I shall want to press amendment 25. If you took the view that we could divide on that amendment later, Mr Amess, I would be grateful.

Mr Dominic Raab (Esher and Walton) (Con): This is my first opportunity to speak on the Bill. Before I deal with the specific clause and amendments, I want to say that I generally support the idea of having fixed-term Parliaments because it will promote the basic concept of electoral fairness, end some of the deal-making and lack of scrutiny we have seen inherent in the wash-up procedures, improve electoral planning for the Electoral Commission and avoid some of the return to hype and confusion that we saw dominate the last three years of the previous Parliament.

In one area, however, I have to reserve my unequivocal support. That concerns the consequences of a successful vote of no confidence in a Government. It must be right for such votes to continue to be decided by a simple majority. If a Government cannot command the support of a simple majority of elected representatives, they should fall. I welcome the Government's withdrawal of the qualified majority provision that was previously under consideration. However, clause 2(2)(b) sets out a novel and rather anomalous parliamentary procedure.

Reference has been made to this country's practice, which is that a successful mid-term vote of no confidence leads to an immediate election. In the last century, there were just two examples of that, both of which led to the announcement of Dissolution the following day. The exception—I stand to be corrected if I am wrong—was after the election of December 1923, which the hon. Member for Rhondda (Chris Bryant) mentioned. A minority Conservative Government led by Stanley Baldwin switched to a minority Labour Government led by Ramsay MacDonald. However, that took place immediately after an election, so it arguably reflected rather than ignored the shifting will of the electorate.

Practice therefore shows that this convention is reasonably clear, yet clause 2(2)(b) undoes it. It provides a window of up to 14 days after a no confidence vote before a general election must be called. I stand to be corrected again and ask the Minister for some clarification, but the aim appears to be to allow the formation of an alternative Government without an election. The mechanism appears almost explicitly designed to facilitate a third party leaving a coalition in order to form an entirely new Government of an entirely different character—mid-term and without seeking a democratic mandate for such a profound change. I see no sound reason or any good justification for such an inherently undemocratic device—even one formulated in permissive terms. I see only the risk of this clause being used for political expediency, sidestepping the democratic process.

It might be said that the existing arrangements already allow for this to happen, but they do not encourage it and they do not institutionalise it. At best, this provision is unnecessary; at worst, it is undemocratic. I would therefore be grateful for some further explanation and clarification from Ministers of the explicit purpose of this window—and, indeed, of why it is necessary at all.

Mrs Laing: Amendments 36 and 37 were also submitted by the Political and Constitutional Reform Committee. I am pleased to say that, unlike the last group of amendments, these are amendments with which I agree. I apologise again on behalf of the Chairman of the Committee, the hon. Member for Nottingham North (Mr Allen), who would have liked to be here to speak on the Committee's behalf. I am pleased that other Select Committee members are present, along with other hon. Members who have supported the amendments.

[Mrs Laing]

The purpose of amendments 36 and 37 is to improve the Bill and help the Government to clarify a very important issue. There cannot be anything more important than knowing when the House is facing a motion of confidence in the Government and when it is not. This is not a matter that ought to be left open to speculation. When we face a confidence motion we need to know that it is a confidence motion, and—as has been said by Members on both sides of the Committee—it should not be used by the Whips as a tool to coerce people to vote for a particular issue lest their Government fall if the vote be lost. A motion of confidence is not a tool of the Whips; it is a very important convention of our constitution.

Amendment 36 is designed to address the Select Committee's finding in our pre-legislative scrutiny report that, under the Bill,

"the requirement that the House would need to show that it had confidence in any alternative government within fourteen days to avoid an early general election could be made impossible if the Government ensured that the House was adjourned or prorogued for any substantial length of time."

The amendment would prevent the incumbent Government from using the prerogative power of prorogation to frustrate the formation of an alternative Government, which they could do under the Bill as it is currently drafted. At present, the Government could get around the provisions in clause 2 by simply proroguing Parliament.

Chris Bryant: The hon. Lady is absolutely right. This is one of my biggest worries. Ministers may say that the Prime Minister would never do that—that he or she could not possibly choose to use such an evil power—but the truth is that the power to prorogue lies completely, utterly and solely with the Government. I think it important for us to remove that power from Government and put it in the hands of the House, just as the power to adjourn the House for recesses lies with the House.

Mrs Laing: Indeed, and that power has been used by the Government many times. I have noticed over the past 13 years that there have been very long recesses when it suited the last Government for the House of Commons not to be sitting and able to hold them to account. It is within the power of the Government to do that, and although I have accused the last Labour Government of behaving in a way that could be described as dishonourable in that respect, I would be the first to say that other Governments have been able to use the power in the same way.

Thomas Docherty: As I am a new Member, will the hon. Lady tell me which Government introduced the September sittings to break up the very long summer recess?

6.30 pm

Mrs Laing: I concede that point to the hon. Gentleman. It was right to introduce September sittings. When I was a new Member, serious events were occurring in Northern Ireland in, I think, 1998 and the House was recalled in September. We flew in from all over the world—well, from Millport and similar places. We all flew back from far-flung places, even Essex. It was realised that having a very long summer recess means the Government are not being held to account and that this House is not the forum and focus for national debate that it should be.

However, I put it to Members that there is an even worse possible outcome from these proposed measures. I know the current Government under the current leadership of the current Prime Minister and the Minister who is currently sitting on the Front Bench would never behave in a dishonourable fashion, but that is not the point. The point is that legislation passed by this House should make sure that no Government can ever use their prerogative power of prorogation—I have got better at saying such tongue-twisters during the day—to frustrate the formation of an alternative Government.

Chris Bryant: The hon. Lady is right again, and she is very good at saying the "prerogative power of prorogation". The additional power the Government currently have is the power to decide whether a motion gains precedence on the Order Paper or not. One of the difficulties with the current draft of the Bill is that there is no provision to ensure that a prospective new Prime Minister trying to form a Government would be able to table a motion of confidence.

Mrs Laing: Yes, the shadow Minister is correct. I am sure the Minister will have very good responses to these questions when he replies, but it is important that the House addresses them, and that is why the Political and Constitutional Reform Committee has tabled these amendments as a result of its pre-legislative scrutiny report.

Amendment 36 would, in essence, encourage the incumbent Government to keep the House sitting, and not use the prerogative power of prorogation for purposes for which it should not be used.

Amendment 37 reflects the Committee's findings that the Bill still leaves to unwritten convention the requirement that a Government should resign if they lose the confidence of the House. The Deputy Prime Minister said to the House in July this year that the Bill would

"strengthen the power of this House to throw out a Government through a motion of no confidence"—[*Official Report*, 5 July 2010; Vol. 513, c. 32.]

However, although that might have been the Deputy Prime Minister's intention, the Bill does not do that. Amendment 37 would require the Prime Minister to resign within seven days of a motion of no confidence being passed, and to advise the Queen to appoint a new Prime Minister who had the best chance of securing the House's confidence.

The Government's response to the Committee's report appears to show that they do not intend that an incumbent Government faced with a successful vote of no confidence should be required to resign. The response states:

"A Government is able now, and would be able under the Bill, to remain in office after a no confidence motion and contest a general election."

That is a very serious state of affairs. The Committee carefully examined the consequences of the Bill before putting that in its report, but the fact is that the Bill will allow a Government to remain in office after a no confidence motion and to contest a general election.

That raises a number of constitutional questions, and I wish to put four to the Minister. First, do the Government intend that the incumbent Government should be able

to force an early general election following a vote of no confidence even where an alternative Government with a potential majority in the House are clearly waiting in the wings?

My second question relates to a matter that my hon. Friend the Member for Stone (Mr Cash) referred to: have the Government considered that an incumbent Government might engineer a vote of no confidence in themselves, requiring only a simple majority, and then simply sit it out for two weeks to force an early general election? Once again, although I have every confidence that the current Government and the Minister at the Dispatch Box would not behaviour dishonourably, the Bill gives a future Government the power to do that.

As I mentioned in an intervention on my hon. Friend the Member for Stone, some Members of the Canadian Parliament raised this issue at a Commonwealth Parliamentary Association conference held here last week. There is a constitutional difficulty in Canada at the moment, because more than one vote of confidence has been held at the instigation of the Government. My hon. Friend said that he is not particularly interested in examples from other countries, and I agree that just because something happens in Canada does not mean that it will happen here. However, Canada's constitution and Government are constructed similarly to ours and we ought to learn lessons or at least look at the warning signs from a place whose legislature is so similar.

Thirdly, have the Government considered that an incumbent Prime Minister whose party has narrowly lost a general election might refuse to resign and instead choose to face the House of Commons, as Stanley Baldwin did in January 1924—the shadow Minister referred to that—and as the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) could, in theory, have done this May? A vote of no confidence in those circumstances would give the incumbent Prime Minister the choice of either resigning or forcing another general election.

An incumbent Prime Minister would not be able to exercise that choice at the moment, because the convention is that the monarch, under her existing prerogative powers, would almost certainly not agree to dissolve Parliament so soon after an election where there was a viable alternative Government. Nevertheless, the Bill, as drafted, would leave the question open, and it is our duty as a Parliament not to put the monarch under pressure to make a decision; we should never have a situation where the monarch has to exercise her prerogative power in order to keep the incumbent Prime Minister in line, as it were.

This is another matter that could easily be dealt with by amendment 37, which states:

"Where the House of Commons passes a motion of no confidence in Her Majesty's Government, the Prime Minister shall tender his resignation to Her Majesty within a period of seven days of the motion being passed."

The amendment is quite simple and, again, is not intended to run a coach and horses through the Bill—far from it. As I have said on many occasions, I support the Bill and I want it to go through, because it is necessary for the stability of the Government and of the coalition at a time when we need stability. What the Select Committee is trying to do through these amendments is simply assist the Government to improve the Bill.

My final question to the Minister is on how the Bill strengthens the power of the House to throw out a Government by a motion of no confidence. The Select Committee considered that question as carefully as we could in the time given for pre-legislative scrutiny and there is a general opinion that the Bill does not strengthen the power of the House to throw out a Government on a motion of no confidence. I would argue, however, that the House has at present a pretty good power that it can exercise to throw out a Government on a motion of no confidence. I do not believe that the Bill strengthens that position and the Deputy Prime Minister ought not to say that it does when it does not.

Mark Durkan: With the exception of amendment 5, the amendments basically try to make the Bill more complete and more cogent by ensuring that there is less ambiguity about convention. That is particularly the case with amendment 25, which would remove from the Prime Minister and the Whips the ability to whisper confidence and no confidence in people's ears, to play the question like a joker that is wild and to use it in relation to any issue that is uncomfortable for the Government or on which Back Benchers are exercising their consciences and discretion.

I gave the example in an intervention earlier of the way in which that process was used with the then Counter-Terrorism Bill. Labour MPs who had said that they would vote in good conscience against 42-day detention were prevailed on with the threat of its being a matter of confidence or no confidence. The then Prime Minister said to me that he would not even table a motion of no confidence if he lost that vote, but that he would deem it to be a vote of no confidence and would go straight away. In the first conversation, he said that the vote would have been followed by a no confidence motion but later on, he said that he would not even bother with a no confidence motion and would go straight to an election. I know that that threat brought some Back Benchers into line and they voted against their consciences and against their stated intentions.

If we are serious about altering the balance of the powers in the hands of the Executive and the Whips, we should support amendment 25, which states that a no confidence motion for the purposes of the Bill must explicitly be a no confidence motion in either the Prime Minister or the Government. Making it clear and explicit in those terms removes the ambiguity and bullying element and restores clarity.

The hon. Member for Epping Forest (Mrs Laing) has made strong arguments for amendments 36 and 37. They would remove possible ambiguity and abuse as well as a lot of confusion and speculation that might arise about otherwise serious circumstances. I commend all those amendments to the Committee.

Another virtue of amendment 25 is that it would go some way to mitigating many of the concerns about the Speaker's certificate and the challenges and questions that might be raised about it, which are legitimately the subject of subsequent amendments. Because I care for the issues raised by those subsequent amendments, I would make the point that amendment 25 is relevant in containing the problems with the Speaker's certificate that they aim to address.

Sheila Gilmore (Edinburgh East) (Lab): As a new Member, I think that many of the public will be quite puzzled by some of the matters that are being discussed

[Sheila Gilmore]

and will probably be quite surprised that there was such a lack of clarity about what a matter of confidence is. Given that the question of confidence in a Government is fundamental, as was expressed eloquently earlier by many speakers, it is very important that we get this right.

I have not been through some of the experiences that others clearly have, but I have heard them talk about them and it seems wrong that such a question should be used as a sword of Damocles over Members who might have legitimate views about a particular part of a policy—even if it is the policy of a Government whom they support. Had I been a Member of the previous Parliament, I am sure that detention would have been an issue on which I would not have supported the Government's position. So I can see exactly why it is right to have a definition.

6.45 pm

Some of the problems we face with the Bill come back to fundamental issues that were raised by the Select Committee of which the hon. Member for Epping Forest (Mrs Laing) and I have the pleasure to be a part. Constitutional reform in this Parliament seems to be backwards-forwards, with little bits of constitutional reform being picked up here and there without any real view or vision of what this is all about and why we are making those particular bits of constitutional reform and not others. Should we be considering more fundamental issues? I know that the Chair of the Select Committee would be very keen for this Parliament to consider whether we should have a written constitution and if so what should be in it. Perhaps we should do that rather than picking off pieces of legislation here and there. We had similar issues with the previous constitutional Bill, which addressed a number of important issues but in a ham-fisted way. It put together a number of issues that have since caused a lot of Members in this House and, I suspect, in the other place, some difficulty.

In our discussions on this Bill, many people have spoken up clearly in favour of fixed-term Parliaments but have not liked other parts of the Bill or have found them unacceptable. If we had come at this—

The Temporary Chair: Order. I have been listening to the hon. Lady very carefully, but she is beginning to use general language and I ask her to draw her remarks more closely to the amendments we are debating.

Sheila Gilmore: My comments arose out of the confidence issue. If we have a clear definition in relation to confidence at least, the proceedings of the House will be clearer to the public, which is important. If we agreed to the definition in the amendment, we would all be clear about when we were dealing with such an important matter. That is a very simple change.

Chris Bryant: As my hon. Friend is on the Select Committee, will she comment on its recommendation that there should be greater clarity regarding the circumstances in which a Government lose the confidence of the House and when that would trigger a general election? Were she and members of the Committee satisfied with the Government's response to that recommendation? This still seems immensely ambiguous to me.

Sheila Gilmore: Members of the Committee were dissatisfied with various Government responses, including that one. It was partly because of the lack of clarity in this area that we came up with a number of amendments, including some of those being debated.

This is a simple matter. Let me bring it back to where the public are coming from and what they would want us to do. I think they would want us to produce something out of the Bill, even though it is not an ideal way of going about constitutional reform, that is simple, clear and understandable, and we should proceed on that basis.

Thomas Docherty: I regret that I have been unable to be here as much today as on other days, but hon. Members will appreciate that I had Select Committee business. I have been fascinated to see so many Liberal Democrats here. Perhaps the Minister will reflect on why a record number of Lib Dems have turned up to hear how to bring about the collapse of a Government now or in future. I am sure he will feed all this back to the Deputy Prime Minister when he next sees him.

I shall try to stick to the issue at hand, Mr Amess. I strongly welcome the work of the Political and Constitutional Reform Committee and it is a matter of some regret on both sides of the House that the Deputy Prime Minister did not take the time for any other pre-legislative scrutiny. Opposition Members and several Government Members have tried to strengthen the Bill. Of course, we are not opposed to the principle of fixed-term Parliaments, although we would prefer a term of four years to five. Our aim is to try to make sure that we have clarity, so it is disappointing that we have not yet heard from the Minister any of the necessary clarity about what would constitute a vote of no confidence.

Obviously, as a new Member, I do not have the same experience and length of service as many Members on both sides of the House, but having recently read Mr Alistair Campbell's "Diaries"—an excellent read—I was struck by the account of an occasion when the previous Conservative Government threatened to use a no confidence motion to stay in office. I am sure the hon. Member for Stone (Mr Cash) and others can confirm that. You, too, Mr Amess, may recall those days.

It seems to me a slightly grubby, if not shabby, state of affairs for a Prime Minister of whatever hue to try to drive through legislation by using such a threat.

Gordon Birtwistle (Burnley) (LD): We heard earlier from the Labour Front-Bench spokesman about the grubby attitudes of Prime Ministers who threatened that losing a vote would lead to a general election. Does the hon. Gentleman agree that that history repeated itself on many occasions during the last 13 years? Does he condemn that sort of attitude?

Thomas Docherty: I am grateful to the hon. Gentleman for those comments. As I was not a Member during the last 13 years, I shall have to wait for the second volume of Mr Campbell's "Diaries". However, the hon. Gentleman's point is not invalid. No Prime Minister of whatever hue should be allowed to hold a gun to the head of his own side. As much as I am a fan of our Whips Office—we have excellent Whips and several of them are hovering near me, so I may make that point again—as my hon. Friend the Member for Rhondda (Chris Bryant) has

already said, if the Bill is not clarified, which I hope the Minister will do tonight, the Whips Offices will have an immense power of threat. As my hon. Friend the Member for Foyle (Mark Durkan) pointed out earlier in his excellent remarks, there was at least one occasion when legislation that, on reflection, was unnecessary, and may indeed have exceeded requirements, was jammed through. That also relates to the point made by the hon. Gentleman. For those reasons, I very much welcome my hon. Friends' proposals on the 14-day period. If there is a period of reflection, we could make a change.

I have huge respect for our Speaker. He is doing an excellent job.

Sir Peter Soulsby: On the question of Governments using devices to avoid the will of the House, does my hon. Friend agree that it is vitally important that the Committee approves amendment 36, which has been proposed by the Select Committee? It is designed to make sure that the Government cannot use their prerogative as a device to prorogue the House to avoid complying with its will.

Thomas Docherty: I thank my hon. Friend for that remark and I congratulate him, as well as the hon. Member for Epping Forest (Mrs Laing), on the work of the Select Committee. My hon. Friend is entirely correct. As the Bill stands, it gives the Prime Minister and the Chief Whip vast power. It is the responsibility of Parliament to be a check on the Executive branch. I seem to be filling the Chamber, so this is of some interest. Members on both sides of the House have consistently made the argument that we have a duty to hold the Executive to account.

I am, as I said, a massive fan of the Speaker, although I accept that I do not have much with which to compare his activities. There is a serious danger that if the Bill continues its passage without suitable alteration, we are placing our Speaker and subsequent Speakers in an extremely difficult position. I counsel the Committee to think carefully when we come to vote.

Chris Bryant: In relation to that, may I put to my hon. Friend the point that I tried to put to the Minister earlier, but which he was not able to answer? Under the provisions of the clause, if the House had carried a motion calling for an early general election by a majority of 10 or 20 votes but not by the required super-majority, would the Speaker be able to determine that that was a motion of confidence, or would the Prime Minister be able to declare that it was a matter of confidence or no confidence in his Government, thereby qualifying under the second category and in effect, therefore, manufacturing an early general election?

Thomas Docherty: As ever, my hon. Friend succinctly hits the nail on the head. The Bill is a mess because the Government did not take full advantage of the opportunity for pre-legislative scrutiny.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does my hon. Friend agree that, unfortunately, that is becoming a hallmark of the Government, particularly in relation to any constitutional change affecting Scotland?

Thomas Docherty: I thank my hon. Friend. I will not repeat my previous lecture on US constitutional history, but it is worth reflecting on what happened before the 1997 general election, when Labour, the Liberal Democrats and civic society in Scotland got together for a five-year constitutional convention and teased out over that period exactly the mechanisms that would lead to a no-confidence vote. As I mentioned earlier, using the example of Scotland, if the Budget falls in the Scottish Parliament, that does not automatically trigger an early general election. What happens is that the Presiding Officer of the Scottish Parliament has to set out that there will be a vote of no confidence later.

Mr Cash: The hon. Gentleman spoke about his enthusiasm for the Speaker. Does he agree that we must make certain that under no circumstances should the Speaker's certificate be decided through the courts? The provision in the clause raises a serious question. The Clerk of the House was entirely right in his assessment. Furthermore, when the Committee votes on the amendments, it must decide that it will not under any circumstances allow the Speaker's certificate to be decided by the courts, and that the wording of the 1911 Act—

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Order. Interventions must be brief.

Thomas Docherty: I agree entirely with the hon. Gentleman, who has yet again identified the matter as a cross-House, cross-party, cross-views issue. It is not about tripping up the Government, but about providing clarity and ensuring that the matter is not resolved in the courts.

Sir Peter Soulsby: On the point about providing clarity, does my hon. Friend agree that it is vital that amendment 37 is passed? Without that, it is not clear what would happen as a result of a vote of no confidence. Amendment 37 makes it clear what follows from that and provides that necessary clarity in what might otherwise be a very uncertain period.

Thomas Docherty: Yet again, my hon. Friend is correct. We have seen no signal from the Government—I will happily give way to the Minister if he wishes to signal—that they will take on board the sensible, reasoned, bipartisan approach offered by the Select Committee. It is disappointing that the Minister does not wish to take that simple point on board. As the hon. Gentleman said, the issue cannot be resolved in the courts, because it would be an embarrassment to this House—a House that has stood in one form or another for 900 years—if we were forced to resort to them. We are not the Americans, I am pleased to say, and our political process should be decided through the will of the people and through their elected representatives. We should not pay high-value, slick lawyers to scurry off to the Supreme Court to try to overturn—

7 pm

Debate interrupted (Programme Orders, 13 September and this day).

The occupant of the Chair left the Chair.

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

DEFERRED DIVISIONS

Motion made, and Question put forthwith (Standing Order No. 41A(3)),

That, at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motions in the name of Sir George Young relating to House of Commons Commission.—*(Mr Vara.)*

Question agreed to.

House of Commons Commission

7.1 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I beg to move,

That Sir Stuart Bell be discharged and Mr Frank Doran be appointed as a member of the House of Commons Commission under the House of Commons (Administration) Act 1978.

The motion simply replaces one member of the House of Commons Commission with another. The individual leaving the Commission, the hon. Member for Middlesbrough (Sir Stuart Bell), has been a member since 2000. He is a long-standing Member of this House who has already received the signal recognition of a knighthood from Her Majesty in 2004. I am sure the whole House will want to place on the record its appreciation of his long service to the Commission under the chairmanship of two Speakers.

Mr Speaker, as you know, the last decade has not been an easy time for the Commission, dominated as it has been by the problems associated with Members' allowances. This is not the right time to reopen old wounds, suffice to say the Commission has sometimes been identified by the outside world as a roadblock to reform. That has not always been the case. Of course there are many other areas in which the Commission has an important influence over the House, and hon Members will wish to thank those who serve on the Commission for their contribution to the effective working of this place.

May I warmly welcome to the Commission, if the House agrees to the motion, the hon. Member for Aberdeen North (Mr Doran), who has been an assiduous and effective member of House Committees over the past five years as a distinguished Chair of the Administration Committee and as a member of the Finance and Service, Liaison and Accommodation and Works Committees? At a time when the Commission, quite rightly, will be considering a programme of efficiencies in the way Parliament operates, the House will be reassured by the wealth of experience and knowledge that the hon. Gentleman will bring to those discussions. I commend the motion to the House.

7.2 pm

Helen Jones (Warrington North) (Lab): I am very pleased to support the motion. One thing that Members learn after a few years in the House is that those who serve on the House's internal Committees do a vast amount of work, which often goes unrecognised, so I thank my hon. Friend the Member for Middlesbrough (Sir Stuart Bell) for his service to the House over a number of years.

My hon. Friend is a long-standing Member, and prior to becoming the Member for Middlesbrough, he fought an election in the constituency of Hexham. He was Parliamentary Private Secretary to Roy Hattersley; served on the Front Bench as a spokesman on trade and industry and on Northern Ireland; and, latterly, has given sterling service to the House of Commons Commission and the Speaker's Committee for the Independent Parliamentary Standards Authority. It has not been an easy time, but I put on the record my personal thanks for the amount of work he did in trying

to explain to the general public exactly what Members' expenses were for and how they were dealt with. It was at times an uphill task, but he made a sterling effort.

I also welcome, if the House agrees to the motion, the appointment of my hon. Friend the Member for Aberdeen North (Mr Doran) to the Commission. At various times he has been the Member for Aberdeen North, Aberdeen Central and Aberdeen South—without moving very far. I know from having had the privilege of serving with him on the Administration Committee that he has a devotion to the interests of this House and its Members, and that he brings to everything he does an energy and commitment, as well as an analytical mind and a real commitment to getting the best possible deal for Members.

I am very pleased to support the motion, and I commend it to the House.

Question put and agreed to.

Mr Speaker: Let me take this opportunity to thank the Deputy Leader of the House and the hon. Member for Warrington North (Helen Jones) for what they have said by way of tribute to the hon. Member for Middlesbrough (Sir Stuart Bell). The contribution that he has made has been enormous; it is, and certainly should be, widely appreciated across the House. My understanding is that the hon. Gentleman has served on the Commission since 21 February 2000, so his service dates back well over 10 years, and it follows that he has sat on the Commission under three successive Speakers. I know of the seriousness with which he has taken his commitment to the Commission and the passion that he feels for the interests of the House as an institution and of individual Members. I know that the hon. Gentleman will appreciate the thanks expressed to him in the course of the debate on the motion.

Of course, I associate myself, as Speaker and as the person who chairs the Commission, with what the Deputy Leader of the House and the hon. Lady have said about the hon. Member for Aberdeen North (Mr Doran), who has a long-standing and respected track record of commitment to this institution and to the various Committees which are so vital to its effective functioning.

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Mr Speaker. We have found out this evening, I think perhaps because of the events going on outside, that somebody who is currently under investigation by the House's Standards and Privileges Committee has been awarded a parliamentary pass. Given that there are some very serious accusations and allegations, and indeed that this investigation is going on, would you perhaps talk to the Serjeant at Arms and report back to me, privately if it is not appropriate to do so in the House, to clarify whether it is appropriate for Members to have to share offices and corridors with somebody who is under investigation by one of our own Committees?

Mr Speaker: I note what the hon. Gentleman has said. The allocation of passes is not a matter ordinarily subject to comment or exchange on the Floor of the House. However, I am happy to acquaint myself with the detail of the issue that he has described and, if appropriate, I will revert to him. I hope that that is helpful to the hon. Gentleman and to the House.

Constitutional Law

7.8 pm

The Parliamentary Under-Secretary of State for Scotland (David Mundell): I beg to move,

That the draft Scottish Parliament (Elections etc.) Order 2010, which was laid before this House on 25 October, be approved.

The order consolidates the rules for the conduct of the Scottish Parliament elections and ensures that the accepted recommendations from the Gould report, and a subsequent inquiry by the Scottish Affairs Committee, will apply for the May 2011 election. The draft order has been available to electoral administrators and political parties since it was laid in Parliament on 25 October—more than six months ahead of the 2011 election. Indeed, an earlier version of the draft order was circulated to electoral administrators in April and to political parties in June.

Many Members will remember that more than 180,000 votes were lost due to rejected ballot papers in the 2007 Scottish Parliament and local government elections. That is totally unacceptable in a modern democracy, and there was widespread public outrage at the time. Indeed, I instigated a debate on the subject in the House in May 2007.

Ron Gould was commissioned by the Electoral Commission to review the 2007 Scottish elections, and concluded that six main factors had contributed to confusion, and so to the level of rejected papers. First, there were many problems with the design of the ballot papers. Secondly, a new proportional voting system for local government elections was introduced, and voters were confused by using two electoral systems on the same day. Thirdly, there had been poor co-ordination of the publicity campaigns of the Electoral Commission, the Scottish Government and others. Fourthly, there were problems caused by electronic counting. Fifthly, there had been fragmented and late legislation on the matter and a lack of involvement in the legislative process by electoral administrators. Sixthly, there was a lack of co-ordination within the electoral community and a fragmented approach to planning.

There is no doubt that public confidence needed to be repaired after the problems in 2007, and I believe that a successfully administered UK general election in Scotland earlier this year will have gone some way to doing that. However, I am pleased to say that the Scotland Office has continued the work started by the previous Administration of implementing the Gould recommendations, and the subsequent recommendations of the Select Committee on Scottish Affairs, that the Government accepted at the time.

Thomas Docherty (Dunfermline and West Fife) (Lab): The Minister mentioned that he raised the matter some time ago, after the last Scottish Parliament election. He might also recall that in 2004, a Member of the Scottish Parliament for the South of Scotland region argued very coherently that we should decouple elections. Does he agree with himself that that is the best way forward?

David Mundell: I regret that, at that time, the Labour party did not accept the coherence of my argument. It was, of course, the Labour-led Scottish Executive who insisted that the Scottish local government elections and the Scottish Parliament election went ahead together.

Sheila Gilmore (Edinburgh East) (Lab): In the light of the Minister's comments and the criticisms that there have been of the 2007 election, why is now not the moment to rethink the fact that there will be two different types of election next year, and potentially in 2015 as well? That could be avoided entirely by the Government changing their mind.

David Mundell: As the hon. Lady will know, having contributed to other debates, that issue has been debated in the House during the consideration of the Parliamentary Voting System and Constituencies Bill and the Fixed-term Parliaments Bill. However, I will address it later in my remarks.

Stewart Hosie (Dundee East) (SNP): I appreciate that the Minister has changed his mind—he is perfectly entitled to do that—but he prays in aid Mr Gould. From memory, I am sure that Mr Gould's recommendation was that there should never be two elections of different sorts on the same day. The order rather seems to run counter to that core recommendation.

David Mundell: I think the hon. Gentleman's memory betrays him. If he had been paying particular attention to the helpful contribution of the Scottish Affairs Committee on the Parliamentary Voting System and Constituencies Bill in September, he would have seen that Mr Gould had said:

"The marking of yes or no on a referendum ballot is much easier to understand and carry out than the requirements of marking an STV ballot"

a ballot under the single transferable vote. He also said:

"I do not believe that the same factors which led to voter confusion and the large number of rejected ballots at the last Scottish Parliamentary and Municipal elections would arise if both the Parliamentary Election and the Referendum were held on the same date."

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Will the right hon. Gentleman welcome, as I do, the partial acceptance of the thrust of the Scottish National party and Plaid Cymru's new clause 4 of the Fixed-term Parliaments Bill, which will allay the fears of the hon. Member for Edinburgh East (Sheila Gilmore) about the 2015 election occurring on the same day as a UK general election?

David Mundell: I will, and I was pleased to read his contribution to the debate on the Bill on the day he refers to, as well as the contribution of the hon. Member for Rhondda (Chris Bryant), who also welcomed the consultation that the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), is undertaking in relation to the 2015 elections and the subsequent elections, every 20 years at which there might be a clash of dates.

Ian Murray (Edinburgh South) (Lab): Does the right hon. Gentleman concede that while there may be a general election and a Scottish election on the same day, the decoupling of the Scottish election and local elections, as a result of the Gould report, means that the local elections will be out of kilter and that it is not inconceivable that a general election under an alternative vote system could be held on the same day as a local council election under the single transferable vote?

David Mundell: Clearly, it is not inconceivable that such a thing might happen. However, in accordance with the Fixed-term Parliaments Bill, that scenario is unlikely. A helpful contribution that the hon. Gentleman, his Front-Bench colleagues and his other hon. Friends could make is that following next year's elections to the Scottish Parliament, they could take forward a proposal to repeal STV as a voting system for local government elections in Scotland. That was a proposal that the Labour party adhered to without even asking the people of Scotland to participate in a referendum.

John Robertson (Glasgow North West) (Lab): I am all for helping out the right hon. Gentleman. It is not often that he and I agree with each other, but has he talked to his coalition partners about such a change in policy?

David Mundell: As the hon. Gentleman knows, this is a coalition in the Westminster Parliament, and the arrangement in that coalition was that there should be a referendum on AV as the United Kingdom voting system. I wish that his colleagues in the Scottish Parliament had perhaps pressed more strongly in their own coalition negotiations for a referendum to be the requirement for the introduction of STV for local government in Scotland.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I thank the right hon. Gentleman for so generously giving way. If he is so keen on the Scottish Parliament making strong representations, what account is he taking of the strong recommendation from the Scottish Parliament that the referendum and the election should not take place on the same day?

David Mundell: The hon. Lady will be pleased to know that I read in detail the debate that took place in the Scottish Parliament on this subject. The hon. Member for Glasgow East (Margaret Curran) was able to bring to that debate her reflections on her time in Westminster. I am sure that even she would recognise that during the course of that debate, nothing was said that had not already been said in this Parliament in the debate on the Parliamentary Voting System and Constituencies Bill. No new argument was made by that day's coalition of Labour and Scottish National party Members.

Margaret Curran (Glasgow East) (Lab): I rise to respond to the provocation by the right hon. Gentleman. Does he not agree that in that debate last week, we saw a remarkable agreement between the Scottish Labour party and the Scottish National party—that is something that we do not often get—which indicates the strength of feeling in Scotland against the Government's proposals?

David Mundell: I do not accept that at all. I have read the transcript. As the hon. Lady knows, the arguments that have been made previously in this Parliament were simply rehearsed; some were made without using the available information. I noted that she and others did not point out Ron Gould's contribution to the Scottish Affairs Committee, which I quoted earlier. He said explicitly that it would be possible for the referendum and the Scottish Parliament elections to go ahead on the same day.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op) *rose—*

Michael Connarty (Linlithgow and East Falkirk) (Lab) *rose—*

David Mundell: I will give preference to Back Benchers at this stage.

Michael Connarty: I am grateful to the Minister. He is smirking all over his face, but does he not realise that people are watching this? He is saying that he does not care that the people of Scotland, most of whom did not vote for his party—that is why he is the lone Conservative Scotland Member—or the Scottish Parliament, which is elected by the people of Scotland, have been ignored. He is representing the contemptuous behaviour of this Government at that Dispatch Box.

David Mundell: That is a ridiculous suggestion. The Government will listen to the Scottish Parliament. Had the debate there revealed any new or different argument that was not reflected in the debate in the House, we would have considered it, but nothing new was said. Indeed, as I pointed out previously, less information was available from that debate than was available from the debate in this House. In addition, I have not heard the hon. Gentleman advocate the UK Parliament giving up its right to determine the UK voting system and dates for elections to the Scottish Parliament.

Mr MacNeil: To rewind, the hon. Member for Glasgow North West (John Robertson) said that he did not often agree with the Minister. Will the Minister extend the olive branch further and say that he and the Labour party prefer Tory cuts to Scottish independence?

David Mundell: The people of Scotland prefer being part of the UK to Scottish independence, but we are not debating that this evening; we are debating the Scottish Parliament (Elections etc.) Order 2010.

Thomas Docherty (Dunfermline and West Fife) (Lab): There is only a handful of Lib Dems in the Chamber tonight, but where is the Secretary of State for Scotland? What important, pressing issue means that he did not want to come here to take part in this vital debate?

David Mundell: The Secretary of State had confidence that I would be in a position to make the case for the order. The hon. Gentleman had the opportunity last week to ask where the Secretary of State for Northern Ireland was when the equivalent Northern Ireland order was debated, and he will likewise have a similar opportunity to ask where the Secretary of State for Wales is when the equivalent Wales order is debated next week.

On the Gould recommendation for a six-month cut-off for changes in the law that governs the conduct of elections, we have ensured that the electoral administrators and political parties are well versed in the changes to the legislation well in advance of May 2011. Indeed, I discussed the order this week with Mary Pitcaithly, the new chair of the Electoral Management Board for Scotland, and I have arranged a further meeting with her and representatives of the board on 21 December.

The targeted 5 November working date for making the order would be challenging for whichever party won the recent general election. However, the projected date for making the order is considerably earlier than the equivalent order before the last Scottish Parliament election, which was made less than two months before the date of the poll.

Mr Frank Roy (Motherwell and Wishaw) (Lab): Will the Minister tell the House—or put the information in the Library—how many people have contacted him who support this particular proposal?

David Mundell: I presume that the hon. Gentleman is referring to the Scottish Parliament (Elections etc.) Order 2010. I was not aware that there was a dispute over the order, which will regulate next year's elections. The provisions of the order have been widely consulted on—by the Electoral Commission, the Scotland Office and the Scottish Affairs Committee—and they have received support even from the Labour party in the form of the EMB representation.

Mr Roy: In short, does that mean that no one has contacted the Minister?

David Mundell: The public had confidence that the political parties in Scotland and the professionals who serve on the EMB were taking forward measures that had agreement across the political spectrum. However, if the hon. Gentleman has any specific concerns about the content of the order, which is essentially the same as the one promoted by his Government, I would be delighted to address them.

The order applies the recommendations of Gould and the Select Committee on Scottish Affairs, which were accepted by the previous Government, to next year's election. It is a large order, and I want to focus on the main changes since 2007.

Jim McGovern (Dundee West) (Lab): I am a member of the Scottish Affairs Committee, as the Minister is aware, and I cannot remember us saying that we recommended that the referendum and the Scottish elections should take place on the same day. I am quite sure that the Committee would have been against that. Notwithstanding that, on the subject of the alternative vote, is he prepared to say how he personally might vote?

David Mundell: I am very clear that I will be voting no in the AV referendum.

Madam Deputy Speaker (Dawn Primarolo): Order. I know that the Minister was tempted by that question, but perhaps we could stick to the draft order before us.

David Mundell: I give way to the hon. Member for East Lothian (Fiona O'Donnell).

Fiona O'Donnell (East Lothian) (Lab): Perhaps we can reframe the question. With 60 seconds on the doorstep to speak to a voter in your constituency, will you talk to them about the AV referendum, or will you press the case for your party in Scotland?

Madam Deputy Speaker: Order. It is not me who will be doing that. I would be grateful if hon. Members addressed their remarks to the Minister, not to me.

David Mundell: I will take your advice and stick to the discussion of the order, Madam Deputy Speaker. I would like to refer hon. Members—I am sure that they will be interested in this—to a correction slip that was associated with the draft order. It makes a number of typographical corrections to the draft instrument, which will become part of the final order for printing if the draft is approved by Parliament.

Thomas Docherty: Will the Minister give way?

David Mundell: No, I want to make some progress. I also want to leave time for the many Members from Scotland to make their contributions to the debate.

I want to comment on the four points about the draft order that were raised by the Joint Committee on Statutory Instruments. First, article 2 of the order defines the term "European parliamentary election" without that term being used in the text of the order. Secondly, rule 20(3)(a) in schedule 2 includes among the minor errors that returning officers can correct in nomination papers

"errors as to a person's electoral number".

However, unlike the nomination papers for election to this House, the nomination papers for Scottish parliamentary elections do not contain proposers' electoral numbers, thus rendering the reference unnecessary. Both those errors, while regrettable, have no effect on the operation of the order. My officials will ensure that returning officers are aware that the reference to electoral numbers can safely be ignored and that the unnecessary provisions will be removed at the first suitable opportunity to amend the order.

Thirdly, the Committee also highlighted article 3(1), which deals with the disregarding of late alterations to the register of electors, and, fourthly, article 4(5), which deals with the effect of alterations to the register where there has been an appeal against a registration officer's decision. Those provisions have been set out in a substantially similar form in previous versions of the order since 2002, and so far as I know, they have not prejudiced voters or the effective administrations of previous elections. On reviewing those articles in light of the Committee's comments, we are of the view that there is an overlap with the provisions of the Representation of the People Act 1983 that renders those provisions unnecessary. Those points were not raised until after the draft order had been considered by the Electoral Commission and had been laid. We propose proceeding with the order in its current form, and we will revisit those provisions once we have the benefit of consulting with the Electoral Commission and other interested parties. As the equivalent provisions in previous orders have apparently not caused difficulty for voters or electoral administrators at previous elections, we do not anticipate any difficulty with those provisions as drafted.

Mr Frank Roy: Is not the fact that there are so many mistakes that have to be rectified evidence that the order is being pushed through the House far too early?

David Mundell: I do not think that it is evidence of that at all. The hon. Gentleman will know from his long service in government that from time to time there will inevitably be small errors in such large documents, and particularly ones that have been carried over from documents and orders passed by the previous Administration.

Moving on to the substance of the order, we have consolidated legislation on the conduct of Scottish Parliament elections so that the majority of rules governing them are now in one document, making them easier for electoral administrators and political parties to use.

The order sets out that for the 2011 elections we will return to a manual count of ballot papers for both the Scottish Parliament constituency and regional elections.

Fiona O'Donnell: Will the right hon. Gentleman give his view on the count taking place that night? Would it be the count for one, two or three ballots? Does he foresee a problem if the counts are split, and the postal ballots are returned together in one envelope?

David Mundell: The hon. Lady makes a valid point about postal votes and how they will be dealt with, and we will speak to the Electoral Management Board about that. It is already clear that counts for the Scottish Parliament constituency and regional elections will take place ahead of any count for the alternative vote referendum.

Mr Mike Weir (Angus) (SNP): One problem with joint elections is that some papers are inevitably put in the wrong ballot box. Will not all the ballot boxes have to be opened on the night for all the elections so that the papers can be sorted out before a count can take place?

David Mundell: Indeed, the verification count will be done first, and it will be exactly the same as in 1999 and 2003, when local government elections were held on the same day as the Scottish Parliament elections.

Iain Stewart (Milton Keynes South) (Con): I hope that I can be helpful. In the general election in May this year, my count was combined with that for another election. There was no problem at all in verifying the boxes first, and the odd stray ballot paper was easily allocated to the correct count. I hope that that example helps to allay any fears that Opposition Members may have.

David Mundell: I am sure that it will.

Michael Connarty: The Minister said that he did not envisage a time when local government elections, Scottish Government elections and even an election to this place would coincide, but if there is a sequence of five years and four years, that situation will eventually occur. Given the chaos that occurred when two elections were combined in Scotland, what provision has been made in the order to avoid such a clash, or will there be a count system lasting three or four days?

David Mundell: This is a stand-alone order, which regulates the conduct of Scottish Parliament elections.

Mr Frank Roy: We have heard that some ballot papers could go into the wrong ballot boxes. Is the Minister saying that all ballot boxes will be opened to be verified, regardless of the election?

David Mundell: The hon. Gentleman is a very experienced election campaigner, and he knows that in 1999 and 2003, when the Scottish Parliament and local government elections were held on the same day, that is exactly what happened. Whatever safeguards we put in place, it is not impossible for a member of the public to put the wrong ballot paper into the wrong ballot box.

Ian Murray: I want to probe the Minister on that point. If someone voting in the AV referendum has to go to a different polling station to vote in the Scottish Parliament elections, how will the Minister ensure that their votes are verified properly?

David Mundell: I am confident, as is the Electoral Management Board, that that process can be dealt with, but I will raise that specific issue of different polling places—the hon. Gentleman has raised it before—when I meet Mary Pitcaithly, and I will respond to him directly on that.

David Cairns (Inverclyde) (Lab): The Minister is praying in aid the expertise of the Electoral Management Board of Scotland. Does he recall that it comprises the very people who told us before the general election that if we proceeded with an overnight count, it would add two to three hours to the length of the count because of the need to check the identifiers on postal ballots? I said at the time that that was outrageous scaremongering to put us off having an overnight count and that they had not a shred of evidence. It turns out that I was right and they were wrong. Will the Minister deal with the Electoral Management Board with a degree caution, because up to now its advice has been spectacularly rubbish?

David Mundell: The hon. Gentleman is better placed than many others to know exactly how these organisations operate. He will also know that Ron Gould, on whom so many Members place such emphasis, also recommended that overnight counts should be done away with. That was one of the proposals that the hon. Gentleman's Government quite rightly rejected.

Mr MacNeil: Has the Minister ever placed much emphasis on Mr Ron Gould?

David Mundell: I have not placed the same emphasis on Mr Ron Gould as the hon. Gentleman's colleague, Miss Nicola Sturgeon, who questioned Mr Gould's competence because he had the audacity to challenge the wording "Alex Salmond for First Minister" on the ballot paper as it might have confused the electors. Miss Sturgeon thought that that was a ridiculous proposition.

Mr MacNeil: I simply repeat my question: has the Minister ever placed much emphasis on Mr Ron Gould?

David Mundell: Mr Ron Gould provided an authoritative report that is reflected in the order and in the subsequent Scottish Affairs Select Committee inquiry, but not everything that he said at the time was taken forward. As I said to the former Minister, the hon. Member for Inverclyde (David Cairns), the previous Government's choice of proposals not to be taken forward was quite right.

Cathy Jamieson: I want to ask the Minister for absolute clarity on this. He has cited the Scottish Affairs Select Committee a number of times. Does he accept that Ron Gould did not tell the Committee that it was a good thing to hold the two elections on the same day? He said it would be possible to do it, but he did not endorse it.

David Mundell: I think that I have quoted Mr Gould in full, and I think he is quite clear—

Tom Greatrex: Perhaps the Minister could read out the sentence before the quote from Ron Gould that he has already read out so that the House can appreciate the full point that Ron Gould was making.

David Mundell: If I had been able to complete my response to the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson), I would have acknowledged that Mr Ron Gould's preference was for separate elections. It was also his preference that there should be no overnight counts at elections because of the opportunity for mistakes to be made. He said:

"The marking of yes or no on a referendum ballot is much easier to understand and carry out than the requirements of marking an STV ballot."

He also said:

"I do not believe that the same factors which led to voter confusion and the large number of rejected ballots at the last Scottish Parliamentary and Municipal elections would arise if both the...Parliamentary Election and the Referendum were held on the same date".

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): What assessment has the Minister made of the possibility of confusion arising from some people being able to vote in the Scottish Parliament elections next year but not being entitled to vote in the referendum?

David Mundell: I am confident that that issue will be addressed by the electoral authorities. There are different electoral franchises, and the electoral registers make it clear who is on which franchise. I cannot guarantee that no one will be disappointed after turning up to vote in an election and finding that they are not entitled to do so, but their status and their entitlement to vote will be determined not by their confusion but by the legal position in relation to the franchise.

Mark Lazarowicz: I understand that, but at some polling stations in my constituency, up to 10% of the electorate could be entitled to vote in the Scottish parliamentary election but not in the AV referendum. Does that not create the potential for confusion not only for those voters but for the people working in the polling stations and for every other elector as well?

David Mundell: The hon. Gentleman's comments will no doubt have been heard by the Electoral Commission and those who are going to produce the information material about the elections to be held next May that will be delivered to every household in Scotland.

Mike Freer (Finchley and Golders Green) (Con): To be helpful to the Minister, I would like to point out that in London we had the mayoral elections as well as the European elections, which have very different electorates. If the Minister—

Madam Deputy Speaker: Order. I am sure that the Minister is very grateful for the hon. Gentleman's help, but let us stick to Scotland.

David Mundell: Thank you, Madam Deputy Speaker. I shall continue with my summary of the order's impact.

There will be separate ballot papers for the constituency and regional votes. Registered party names must be used on ballot papers, and the design of the ballot paper follows the principles set out in the Electoral Commission's publication "Making your mark: Good practice for designing voter materials: guidance for government policy-makers". There will be a longer timetable for running the election, increased from 21 to 28 days, and to accommodate the administrative demands of increased postal voting there will be a longer period between close of nominations and the date of election from 16 days before the poll to 23 days.

The deadline for registering to vote by post and the earliest time that postal votes can be issued is still 11 days before the poll. This longer period between the close of nominations and the date of the election helps to accommodate the increased demand to vote by post. Once all names of all candidates are known, ballot papers can be printed without any delays and sent out immediately after the deadline for registering for a postal vote has passed. For consistency, we have brought the control of donations to candidates and limits on candidates expenses into line with the principles set out in the Westminster rules.

Apart from the consolidation of the 2008 and 2009 amendments to the 2007 order, the main new changes that have been made are as follows. Article 5(2) has been amended to reflect the provisions of sections 18A and 18B of the Representation of the People Act 1983, which set out the requirements for the review of polling districts and places. Article 36 applies to candidates at Scottish parliamentary elections—other than party list candidates—the regime for control of donations to candidates that applies to parliamentary elections by virtue of section 71A of the Representation of the People Act 1983.

Article 43 limits the expenses that may be incurred by or on behalf of candidates—other than party list candidates—in the pre-candidacy or long campaign period before a Scottish parliamentary general election. This reflects the position that applies to parliamentary general elections by virtue of section 76ZA of the Representation of the People Act 1983.

Article 47 incorporates the revised requirements for candidates' returns for election expenses contained in section 81 of the Representation of the People Act 1983. Article 74 now reflects the requirements of section 110 of the Representation of the People Act 1983 in relation to the information that has to appear on election publications.

Article 88 increases the minimum period between the Dissolution of the Scottish Parliament and the day of poll from 21 to 28 days. This reflects the increase in the overall timetable for Scottish Parliament elections recommended in the Gould report. I am sure that the Opposition Front-Bench team will note the impact of the royal wedding bank holiday on the date of Dissolution of the Scottish Parliament ahead of the Scottish elections. This reflects the increase in the overall timetable for Scottish Parliament elections that was recommended in the Gould report.

Paragraphs 1(3) and 2(5) of schedule 1 have been amended to allow electoral registration officers to supply returning officers and other persons or organisations with a consolidated version of the register that takes account of any alterations, as opposed to having to provide a copy of the original register and individual copies of the notices of alteration.

Rule 1 of schedule 2 provides the timetable for elections. There is no longer to be a separate timetable for by-elections. Indeed, it may be of interest to hon. Ladies who are still members of the Scottish Parliament that the date has passed for which a Scottish Parliament by-election can be held ahead of the Scottish Parliament elections.

Rule 20 of schedule 2 allows for minor errors on nomination forms to be corrected by either the constituency or regional returning officer. Rule 48(3)(b) of schedule 2 has been amended to allow grandparents or grandchildren to assist a person with disabilities to vote at a polling station. Rule 49(7) of schedule 2 now requires the voter to sign the tendered votes list, which is in line with rule 40(3) of the parliamentary election rules. Rules 69 to 71 of schedule 2 and paragraph 30 of Schedule 4 have been amended to reflect the transfer of responsibility for the storage of election documents from sheriff clerks to constituency returning officers.

Rules 72 to 78 of schedule 2 have been updated to reflect the provisions relating to the death of a candidate during the election period which were introduced by section 24 of the Electoral Administration Act 2006. Rule 79 of schedule 2 has been amended to specify what information on Members should be entered in the Scottish Parliament's returns book, and to restrict the availability of the returns book for public inspection to the life of the Parliament or to such later time as the Presiding Officer of the Scottish Parliament may direct.

Paragraph 10 of schedule 3 has been amended to include a requirement for electoral registration officers to inform a proxy that they have been appointed, and to inform that proxy of the length of their appointment. Paragraphs 16 to 21 of schedule 3 provide for limited access to, and the supply of copies of, absent voting records—such as the postal voters list—for candidates, political parties and elected representatives, as well as public inspection of those records under supervision. That reflects the United Kingdom position under the Representation of the People (Scotland) Regulations 2001.

Paragraph 5(5) of schedule 4 has been amended to allow the returning officer to determine which of a candidate's proposed agents are to be appointed for the purpose of attending the postal voting proceedings if the list submitted by the candidate contains more names than have been authorised by the returning officer.

I think the House will acknowledge that we have already had a full discussion of the impact of holding AV referendum on the same day as the Scottish parliamentary elections. Opposition Members may wish to make further contributions in the time that remains. However, given that the hon. Member for Edinburgh East (Sheila Gilmore) raised the issue of the clash of elections in 2015, which arises in the Fixed-term Parliaments Bill, I want to say a bit more about that.

The Government recognise the concerns raised about the coincidence of elections, and we are consulting the Presiding Officer of the Scottish Parliament, the Scottish Government and the parties in Scotland. Specifically, we are consulting on whether provision should be made in the Fixed-term Parliaments Bill enabling the Scottish Parliament to resolve, with a two-thirds majority, to delay its election by up to six months to avoid a coincidence with the elections to the House of Commons. That would supplement the existing powers in the Scotland Act which allow the Parliament to dissolve early.

Ian Murray: I am pleased that discussions are taking place with various bodies about the elections in 2015. Is the Minister now conceding that it would be unwise for two elections to be held on the same day?

David Mundell: I am recognising that the coincidence of the Scottish Parliament and Westminster elections in 2015 is a significant and legitimate concern. That is why we are consulting on it.

The proposal for the new power would be consistent with existing provisions in the Scotland Act on extraordinary elections. It would also allow a decision to be taken should it be decided at a later date that elections should not be combined.

The forthcoming Scotland Bill will signal the Government's commitment to implementing the proposals of the Calman commission on Scottish devolution, including the recommendation to devolve responsibility for the administration of elections. The Bill will be introduced in the House soon, but clearly it will not have received Royal Assent by May 2011.

Finally, I should point out that not all the Gould recommendations were for the UK Government to act on; some were for the Scottish Government, the Electoral Commission or electoral administrators to implement.

I hope that the House has been reassured that the draft order will take the necessary steps to ensure successful elections to the Scottish Parliament in May 2011, and I commend it to the House.

7.49 pm

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): It is always a pleasure to follow the Minister. As he explained, this order has been in preparation for a considerable time and it forms the final part, I think, of the Government's response to the report undertaken by Ron Gould on behalf of the Electoral Commission following the 2007 Scottish Parliament elections. The length of the measure, at more than 200 pages, is explained by the fact that it is a consolidating measure, and much of its content is uncontroversial and, I am sure, will assist the various interested parties required to implement its provisions. However, we have concerns about the manner and timing of the measure's introduction to the House and about the fact that it is being manipulated to form part of a wider legislative change that has been marked by excessive speed, political opportunism and a concerning scarcity of competence.

The measure—all 200-plus pages of it—should have been in place prior to the six month pre-election period as specifically recommended by the Gould report. I noted that the Minister in his opening remarks danced around the Gould recommendation about when it should have been in place by referring to consultation, but as the Minister well knows, the recommendation was that it should be in place, rather than it should have been published or made available to various individual electoral administrators. I also recall that the Minister was fulsome in his welcome for that recommendation in a previous life.

We are considering this measure in the final week of November, despite the fact that the Government have had since mid-May to take it forward and, as the Minister said, much of the work on the measure was in train under the previous Government. The Minister failed to explain satisfactorily why that is the case, and perhaps I can venture to suggest that it may be something to do with the yellow rush of spurious and ill-conceived constitutional change the Government are rushing through before their implications are widely realised. It is therefore little wonder that solid and necessary measures such as

[Tom Greatrex]

this one do not get priority treatment, even though Government Members have been aware for more than three years that it should be in place six months ahead of the Scottish Parliament elections.

In between reading this order in detail this morning, I read some of today's newspapers and learned that in what will no doubt come to be considered our esteemed Deputy Prime Minister's seminal Hugo Young lecture yesterday, he declared in his typically erudite, modest and understated way that he is the intellectual driving force of the "new progressivism", an idea that will, perhaps, eventually catch on.

New progressivism is, it seems, a new name for the old expediency of rushing through constitutional change without draft Bills, without pre-legislative scrutiny and without consultation with affected bodies, all of which are also features of what is no doubt the old progressivism of which the Deputy Prime Minister and his small band of followers were supporters prior to the general election.

Mr Alan Reid (Argyll and Bute) (LD): I draw the hon. Gentleman's attention to what happened when his party was in power. At the very last minute, just two months before the election, we had an order like this one that totally reorganised the ballot paper so that there were two columns on it. A complete mess was made of things, and the Labour Government were responsible for the biggest election fiasco ever in the history of this country.

Tom Greatrex: I am grateful to the hon. Gentleman for his excitable intervention. I am sure that he, in common with many other Liberal Democrat Members, was at the last election and previously a great fan of pre-legislative scrutiny and consultation, although I note that he now seems to be less enamoured.

Although we are considering this statutory instrument for the first time this evening, it is referred to, and already amended by, the Parliamentary Voting System and Constituencies Bill, which has completed its Commons stages and is now being scrutinised in another place. The Bill—which, as I have said, refers to this statutory instrument—will permit the Scottish Parliament elections to coincide with the date of a referendum on AV, something which just about everybody other than members of the Government think is a bad idea. As the Minister noted in the latter part of his remarks, even the esteemed Ron Gould expressed his doubts on that matter. So the Commons has considered the Parliamentary Voting System and Constituencies Bill prior to the statutory instrument to which it refers having been approved by the House of Commons. That is not only completely illogical, but it is contrary to standard parliamentary practice and represents a worrying precedent. The Minister was careful not to seek to explain it, perhaps because he is embarrassed at such a blatant political fix. Perhaps he will explain it in more detail in his later remarks. I am not an experienced Member or an expert on parliamentary process by any manner of means, but if this is a measure of the tactics used, it leads me to wonder how we are expected to undertake our role in scrutinising the Executive properly.

The Executive have made much of their "respect agenda" towards the devolved Administrations and Assemblies, so why have the Minister and his Secretary of State, who is absent tonight, singularly failed to consult the Scottish Executive on the clash of dates? The Scottish Parliament's view was clearly expressed last week when, by 89 votes to 30, it said that the elections to which this statutory instrument relates and the referendum should not be combined. It seems that the "respect agenda" has been superseded by the old and regressive new progressivism.

I ask the Minister to address a number of questions about the content of this measure. The Gould report recommended the appointment of a chief returning officer. Why is that recommendation not being followed through? Surely one of the main problems identified by Gould was the inconsistency in interpreting the guidelines. I am sure the Minister will recall that as a result of the number of list candidates who applied to stand in the 2007 elections, the returning officers in both Glasgow and Edinburgh removed a line of instruction to the voter at the top of the ballot paper but failed to consult others prior to making that decision.

Why are the UK government not considering, as the current proposal from the Scottish Government does, putting the Interim Electoral Management Board on a statutory footing, despite the fact that it is now the main source of professional advice and co-ordination for all elections held in Scotland? Do the UK Government believe that there should be two separate electoral management boards in Scotland or that it makes sense for such a board to be formed but not deal with either UK or EU elections? What arrangements will the UK Government establish to co-ordinate returning officers and chief returning officers for the 2011 elections, and for subsequent UK and EU elections?

If the Scottish Government proceed to make the IEMB a statutory body for local and Scottish Parliament elections, what do the UK Government envisage will be the relationship with it if other elections are held on same date and if the Minister's much-vaunted consultation on what happens in 2015 does not end up in any result? Who will be responsible for what? How are we going to achieve consistency in rulings and implementation of arrangements?

Why is this statutory instrument following the Parliamentary Voting System and Constituencies Bill, rather than preceding it? Surely this statutory instrument should have been presented to Parliament before the Bill was introduced—there has been sufficient time for that following the general election. Will the Minister tell us on how many occasions a Bill that includes reference to a particular statutory instrument has completed its stages in the Commons prior to that statutory instrument being approved by this House? Does he not agree that this sets a dangerous precedent and attacks the ability of this House to scrutinise legislation properly?

Why is this statutory instrument coming to the House less than six months prior to the Scottish Parliament elections, despite the Minister's acknowledged acceptance of the Gould recommendation that the rules should now be not merely published, but in place? Why are the coalition Government continuing with a joint ballot on 5 May 2011 when evidence and expert feedback suggests that the amount of spoiled papers will be higher? Surely that mirrors the problem identified in 2007 that multiple ballot forms can confuse, particularly those who are frail, those who have learning difficulties or those for whom English is not their first language. What testing

has occurred and what methodology did it use? If the joint ballot is to be held on 5 May 2011, can the Minister clarify how the ballot papers will be set out? Will they be on separate ballots? If so, will they be on separate coloured ballots that have been tested and are acceptable for people with eye conditions? What testing will take place? Have all the proposed ballot papers been tested by the Electoral Commission? Have any discussions taken place with the Interim Electoral Management Board in Scotland about the dual poll? What concerns did it raise?

This statutory instrument rectifies the inadvertent problems in the previous election rules that prevented a candidate from being able to run as a candidate with a descriptor for two registered parties and use a registered symbol of one of those parties. I declare an interest as a Labour and Co-operative Member of Parliament. Perhaps in future elections those on the Government Benches may stand as combined party candidates. I therefore ask the Minister when that situation will be rectified for future UK elections as it has been for the Scottish Parliament elections.

On prisoner voting rights, will the Minister clarify when the Government intend to amend the franchise and whether that will occur before the 2011 Scottish Parliament elections? In their explanatory notes, the Government contend that they do not need to qualify their statement on the Human Rights Act 1998 because they do not consider the Scottish Parliament to be a legislature for the purposes of article 3 of the first protocol. Specifically, they mention the Toner case in regard to the Northern Ireland Assembly, in which a ruling has been made. Does the Minister not accept that the legislative competence and power of the Scottish Parliament is considerably greater than those of the Northern Ireland Assembly, and accordingly will he clarify further why the Government have now determined that the ruling will apply in Scotland? Why have the Government not adopted a precautionary approach and what estimate have they made that their interpretation will be subject to legal challenge?

Thomas Docherty: Given that the Scottish National party failed to consult this place or the other parties when it took away the tax varying powers, does my hon. Friend share my concern that Scotland perhaps does not have a proper Parliament any more thanks to the SNP?

Tom Greatrex: I am grateful as ever for the erudite intervention of my hon. Friend. Given that other matters are being discussed today in Edinburgh, perhaps we will all be able to reflect on those discussions in the fullness of time.

If reforms in prisoner voting rights are not implemented before May 2011, does the Minister consider that there will be further legal challenges on the alternative vote referendum and, if so, are the Government qualifying their Human Rights Act statement as regards that poll?

There are errors in schedule 2 of the printed draft order. Parts 2 to 7 are, from page 64 onwards, erroneously referred to as parts 6, 7, 8, 9, 10 and 11. As the Minister has mentioned, five additional drafting errors were noted by the Joint Committee on Statutory Instruments. He has clarified those errors. Will he tell us what steps will be taken to provide corrected information and the final order to those who will have to implement it?

On schedule 5, in what circumstances does he envisage a combination of Scottish Parliament and local government polls? Will he consider, given the Gould recommendation, that that is likely to occur only when there is a local government by-election? What provisions will he put in place should a council by-election take place on the same day as a Scottish Parliament election and an AV referendum? I would be grateful if the Minister could respond to those specific questions.

8.2 pm

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I have been slightly distracted by a decoy from the Government Whips, but we in the Hebrides can forgive such decoy activities from Orkney and Shetland.

I am no lawyer—perhaps a reasonable crofter, but certainly no lawyer—but as it stands we feel that there are serious issues with the order. As the SNP's lawyer put it:

"This order is a perfect example, of how NOT to write legislation."

We have found no fewer than 27 individual problems with the drafting of the order. Some have been reported to the Joint Committee on Statutory Instruments, which has accepted four of them. I shall not, for the benefit of the House, go through all 27 today. However, I shall give an overview of what has happened over the past months in relation to our Scottish elections.

Let me start by reiterating the fact that our Scottish elections should not be run from Westminster. Our elections are a unique part of Scottish democracy and, frankly, the way in which the legislation for our elections has been treated is nothing less than shocking. It gives me some delight—and perhaps a bit of schadenfreude—to think that the referendum that was going to eclipse our elections has now been eclipsed by a certain royal wedding. We wish them good luck and thank them for the bank holiday that is coming our way.

David Mundell: May I seek the hon. Gentleman's clarification on which referendum he means? I had understood that there was to be a referendum in Scotland, instigated by the Scottish Government, that was to eclipse all other electoral activity in Scotland.

Mr MacNeil: The SNP would have treated the Scottish people with more courtesy than the Conservatives and Liberal Democrats, who have treated them with disdain by parking their tanks on the lawn of the date of the Scottish election—the first Thursday in May in 2011, a date that had been scheduled for many years.

This Government have ignored the strongest point of the Gould report into the 2007 Scottish election, which stated that, among other things, there should be a six-month period between the statutory instrument coming into force and polling day. We are already within the six-month period for the Scottish parliamentary elections and are thereby in violation of the strongest recommendation in the report. Why do we need six months? The report states:

"Throughout this report, we have pointed to problems that have arisen because the passing of electoral legislation has been unduly delayed. To avoid these problems, we would recommend a practice found in the electoral laws in other countries. These laws provide that electoral legislation cannot be applied to any election held within six months of the new provision coming into force."

[Mr MacNeil]

Even without the report, that is surely common sense. We have international practice and the Government are indeed fond of citing international examples. It is beyond me how they can fail to note that other countries use the six-month electoral law. When electoral legislation is rushed through at the last minute it is the voters who suffer.

I want to discuss the new ballot papers, which do not adhere to Electoral Commission recommendations and have not been properly user-tested. Forms J and K on the order do not exactly correspond to the form on page 20 of the Electoral Commission report, "Making your mark", which was directed at Government policy makers. The Scotland Office says that it has used that information in drafting the forms in the statutory instrument, but the form on page 20 of the report is plainly far superior to what the Government have offered. Specifically, I am concerned about the spacing of the lines separating candidates and parties, which do not extend over the page. Also, the spacing of the words and emblems are not closely matched to the box. Those points might seem trivial, but if only 5% of voters make an error we have a serious problem, as we discovered in 2007.

The average voter is, perhaps, too busy with shopping, picking up the kids and the stresses of work to make absolutely sure that they are complying with what the Government intended. People are not going to have rulers ready to discern which line applies to which candidate and party. Surely, it is the job of this place, for now, to make such things as easy as possible for the voter and to remove potential bear traps.

Mr Mike Weir (Angus) (SNP): My hon. Friend makes a good point about the lining up of candidates and party affiliations. Does he recall that in the disputed American election of 2004, with the famous hanging chads in Florida, one problem was the design of the ballot paper on which the candidates did not line up with the designations?

Mr MacNeil: To be absolutely honest, I do not recall that, but I am grateful to my hon. Friend for raising it. Presumably, when those ballot papers were being designed someone thought that would not be an issue but lo and behold it did become an issue in Florida and other areas.

The problems I am highlighting could have been avoided if the Government had followed the Electoral Commission's suggestion of user-testing the new ballot papers. That has already been mentioned. As far as we can tell, the Government have not made any attempt to get the new ballot paper checked. Even the ballot paper in the ill-fated 2007 election was user-tested by at least 100 people. That number was small, given what happened, but better than none and better than what is happening now.

Without independent evaluation, we cannot be sure that the ballot paper will be easily understood and will not lead to confusion. In addition, we will, or could, have an AV referendum on the same day using a slightly different ballot paper and a different design altogether. As none of the ballot papers has been tested independently, we cannot assume that the vast majority—towards 100%—of people will understand these ballot papers, just as I cannot assume that the hon. Member for Midlothian (Mr Hamilton) would understand me if I started speaking in Gaelic. It might make sense to me, but countless others, including the hon. Gentleman, might be left in the dark.

This is not the first time that the Scotland Office will have heard our concerns. *[Interruption.]* The hon. Gentleman asks me to translate—he probably assumes that I am speaking in Gaelic already. *[Interruption.]* It is time he learned some.

Madam Deputy Speaker: Order. This is not a private conversation between the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) and the Whip. If the hon. Gentleman addressed the Chamber it would help us all.

Mr MacNeil: I apologise, Madam Deputy Speaker. The hon. Gentleman tempts me unduly.

Since May, we have had difficulty in getting copies of the order. When we did so in June, they were lacking in detail, specifically the previously mentioned ballot forms. We were told we would receive a near final copy of the draft order by the end of June, but we saw nothing until the order was laid before the House on 25 October—the third day of the Committee on the Parliamentary Voting System and Constituencies Bill.

Of the 27 issues we have with the drafting of the order, I shall, as I said, highlight but a few. The heading for part 2 seems to have been lifted from the Representation of the People Act 1983. It is one thing to lift a title when it has something to do with the order, but when—as in this case—the title has little or nothing at all to do with our elections, copying it from the Act misses the fact that the order contains no provisions on the franchise. There is no separate Scottish parliamentary election franchise; the franchise for voting at an election to the Scottish Parliament is in section 11 of the Scotland Act 1998. Nothing in the order can add anything to those provisions, or take anything away from them, given the extent of the order-making power under section 12(1) of the Scotland Act. The franchise is contained in primary legislation enacted by the UK Parliament rather than in an Act of the Scottish Parliament or other secondary legislation.

The heading should reflect the actual content of part 2, not the legislation it happens to have been adapted from. In this context, the "Oxford English Dictionary" defines "franchise" as:

> "The right or privilege of voting in public elections—especially for members of a legislative body."

Provisions on the electoral register relate simply to the mechanisms for the exercise of the right, not to the right itself.

Under article 43, the translation of the new limits for Westminster elections could lead to unforeseen campaign finance consequences. We note that if the Parliamentary Voting System and Constituencies Bill becomes law, there will be a combined ballot in May 2011. As highlighted by the Channel 4 News and Bureau of Investigative Journalism inquiry into certain expenses incurred in the 2010 general election, the attribution of expenses between different electoral events can be subject to a number of interpretations. That opens up the possibility that the expenses limit attributable to the referendum could be used to circumvent the limitation of election expenses at both candidate and party level—perhaps a loophole.

It has been noted that in the event of a combined election, with the main political parties in Scotland all making the necessary declarations to become permitted participants, the Conservative party may be able to spend £5 million, the Labour and Liberal Democrat parties £4 million and the SNP £500,000. It is entirely possible that the PVSC Bill will not have received Royal Assent before 5 January 2011, which marks the start of the regulated periods for the Scottish Parliament elections. If that is the case, referendum expenditure at that point will be unregulated, as the referendum period under the Bill commences on Royal Assent. As I have said, the SI could create a massive financial loophole for campaign spending.

In article 88 of the draft order, it seems that the Scottish Parliament Corporate Body was not consulted regarding the date of Dissolution. In 2002, when changes being made to the 1999 order reduced the Dissolution period for the Scottish Parliament from 25 days to 21 days, that process was subject to consultation and, indeed, discussion. We are having trouble finding any evidence of the same happening with this draft order. As we all know, article 88 changes the number of working days in the Parliament. It is my hope that someone from the Scotland Office was in close contact with the Scottish Government or Parliament. Can we have some confirmation that agreement was sought from the Scottish Parliament or the Government for the change?

The entire process has been devoid of political party consultation, which, believe it or not, is important. Our parties, across the House and the devolved legislatures, have the experience and knowledge to help draft election legislation. Would the Government not consult the construction industry on legislation related to it? Why then have we had such a hard time in getting information and consultation on this particular order?

One might wonder why we need to be consulted. Surely the lack of political parties in the elections process would be welcome. However, the Gould report stated:

> "Electoral legislation – especially in a fragmented legislative environment – is nuanced and dense. Understanding is usually built up through years of experience 'on the ground', whether as an administrator or a party activist. This understanding is difficult to develop on a purely intellectual level, which is why practitioner input is vital."

The Government have rushed through Parliament all aspects of the legislation relating to elections in Scotland. This has led to the drastic addition of critical amendments on the hoof. We have not been able to study these issues properly, and we can expect that more amendments will be pushed through the House of Lords before the process is over.

Mr Reid: I have been listening to the hon. Gentleman's speech and I am trying to work out what he finds wrong with the order. All I can deduce is that a line on the ballot paper is not long enough and that he finds the heading of part 2 incorrect. Is there anything of substance that he finds wrong with the order?

Mr MacNeil: Usually I welcome interventions. I am reluctant to slam the hon. Gentleman, but if he had listened to what I was saying 30 seconds ago, he would know that I was speaking about the lack of consultation of those who had developed knowledge and practice in elections. That lack of consultation has led to weaknesses in the order.

Even though the draft order was laid before the House on 25 October, it has not become law. Even though the Electoral Commission considers that the combination polls are on track, it still says that

> "delivering well-run polls on 5 May will be a major challenge".

Yes, we received a copy of the draft order ahead of time, but it was lacking in the things that were most important and was, therefore, only partly helpful.

Finally, we understand that this is an affirmative order and cannot be amended on the Floor of the House. That is indeed a problem for if we could, I would be more than happy to amend the instrument and vote for it, but since it is a take-it-or-leave-it situation, I am afraid I might have to leave it.

8.17 pm

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I shall be brief as I know that some of my colleagues hope to get into the debate. At the start of it, we could have been forgiven for wondering why a document that should be an uncontroversial order dealing with the rules relating to elections caused so much grief and so many exchanges across the Chamber. Amid the political knockabout that went on, there is a serious point about the manner, the timing and the way in which the order has been brought before the House, which causes serious concerns about parliamentary process.

Mr Reid: The hon. Lady has obviously studied the order. Can she tell us what changes to the order she would like to see?

Cathy Jamieson: Perhaps the hon. Gentleman will allow me to make some progress. It is important to recognise that the order contained some drafting deficiencies, which the Minister was good enough to highlight. The reason that there has been so much discussion of the order tonight is that there is unfinished business from some of the other debates that have gone on, particularly about the Parliamentary Voting System and Constituencies Bill.

Government Members may shake their heads, but the issue concerns not only the Members present this evening. It is a serious matter for the Members of the Scottish Parliament who voted the way they did because they did not believe that it was right to have the referendum and the Scottish Parliament election on the same day. That was made very clear by the Scottish Parliament's Local Government and Communities Committee, including, as I understand it, by a member of the same party as the hon. Member for Argyll and Bute (Mr Reid) who also believes that it was the wrong decision.

The problem is that such an approach has left the people of Scotland, particularly parliamentarians in Scotland, feeling that no matter what they say or do, their votes and views do not count in this place. That is a particular problem because the Government initially set out to talk about and highlight the new respect agenda. That simply has not come to pass, and it has been highlighted once again by the delay in bringing what should have been a relatively uncontroversial order to this Chamber for debate. Perhaps an expert on the constitution and the workings of the House will tell me I am wrong, but I find it odd that we should have discussed

[Cathy Jamieson]

the Parliamentary Voting System and Constituencies Bill, which refers to the order, in advance of the order itself. That seems highly unusual, and I hope that the Minister refers to that in his winding-up comments.

People keep raising concerns about holding the referendum and Scottish Parliament elections on the same day, because we have bitter experience of things going badly wrong. We understand that mistakes were made last time, and we want to ensure that they do not happen again, so I find it difficult to listen to the Minister selectively quoting Mr Ron Gould. If we are serious about ensuring that we do not repeat the same problems, we should take account of everything that the Gould report says.

On several occasions I have pressed Ministers to tell me whether they will listen to the views of the Scottish Parliament. I have heard warm words but seen absolutely no action.

Margaret Curran: The Minister referred to last week's debate in the Scottish Parliament and my participation in it. I said that no plausible explanation had been given as to why the Scottish Parliament had not been consulted on the process. Given that the Parliament passed the relevant motion by a two-thirds majority and the Minister knows the importance of its view, does my hon. Friend agree that the Government should recognise its expressed will?

Cathy Jamieson: I absolutely understand my hon. Friend's position, and she is absolutely right. I hope that in closing I can give the Minister one final opportunity to recognise the will of the Scottish Parliament and state that he not only hears it, but will do something about it.

8.22 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): I have taken part in all our constitutional debates on the Floor of the House, and I yet again welcome to his place the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), who has taken a very keen interest in these matters. I am glad that he takes an interest in what, in theory, should be a Scottish-only affair, but it is disappointing that, yet again, the Deputy Prime Minister has not deigned to grace us with his presence. Nor, indeed, has the Secretary of State for Scotland, so I can only wish him a speedy recovery, because I cannot think of any other reason why he would not want to take part in this debate.

When the Under-Secretary of State for Scotland responds, I trust he will confirm that, unlike the Deputy Prime Minister, he has actually read the Gould report. Hon. Members will recall that, when the Deputy Prime Minister did on one occasion deign to turn up, he was forced to admit *[Interruption.]* The Minister might have read the report of the report, as the Deputy Prime Minister admitted to doing. The Gould report raises some serious concerns, but I do not wish to labour the points that my hon. Friend the Member for Rutherglen and Hamilton West (Tom Greatrex) made so eloquently.

Mr MacNeil: My memory could be defective, but I somehow feel that in a previous life, in another role in this House, the Minister used to emphasise and put great weight on parts, if not all, of the Gould report. Perhaps he will clarify that later on.

Thomas Docherty: I am grateful to the hon. Gentleman for raising that issue and, like him, look forward to the Minister emphasising which parts of the report he agreed with then and still agrees with today. I am sure that, unlike certain Liberal Democrats, he is sticking to his guns.

There are some genuine and serious concerns about the logistics of combining the polls, and having had a chance to work through the rather weighty 260 pages of the order, I fear that some of those concerns have not been resolved adequately. In the brief time that I have, I shall try to touch on a couple of them. I should add that my local Liberal Democrat MSP—or rather my current one until May, when he loses—does not even agree with what the Minister is doing.

The first of the three issues that I should like to cover is postal votes. If you have had a chance to look at the report, Madam Deputy Speaker, you will recall the problems that we had in 2007 with local authorities issuing postal votes on time. Of course, the point of a postal vote is that it is for somebody who cannot make it along on the day. Some people did not get their postal votes landing on their doormats until the Monday or Tuesday of the week of the election. I am sure that the House will agree that that is most unsatisfactory. I would be grateful if the Minister would further outline exactly what he proposes to do to ensure that that situation does not happen again given that, on this occasion, effectively double the number of forms will be sent out.

The second issue relates to polling stations and counting stations. The returning officers have made clear in their submissions to the Scottish Affairs Committee, and elsewhere, their concerns that counting stations will not be big enough to take all the ballot boxes that are required and to do all the sorting and sifting that will be necessary. Indeed, additional recompense will be required because they will need to keep the counting stations open not only through the Thursday night but throughout Friday and perhaps into Saturday. In one or two locations, owing to well-observed religious views, the count for the referendum might take place the following week. There is also the serious issue of how Royal Mail will be able to cope, because not only the constituency lists but the material for the yes and no campaigns in the referendums will be going out.

Finally, despite the warm words from the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), we still have not received absolute clarification of how much money Scottish local authorities will receive to help to pay for all the issues that I have outlined. Perhaps he could lean over and explain to the Under-Secretary what those figures are. It is disappointing that having eventually dragged this report out of the Government, they did not follow normal practice and let us scrutinise it before we debated the final stages of the Parliamentary Voting System and Constituencies Bill on the Floor of the House. I hope that the Under-Secretary can outline exactly how much compensation will be given to Scottish local authorities to run this ill-conceived referendum on the same day as the Scottish elections.

8.27 pm

Margaret Curran (Glasgow East) (Lab): There are many issues of substance in the order. We want to be very co-operative with the Government, as has happened

in our relationships with Governments in the past when we have had to ensure that we had successful Scottish Parliament elections. As my hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson) said, the problem is that we have got off to a very bad start, particularly regarding the Parliamentary Voting System and Constituencies Bill, the problems with which have already been indicated.

I have to tell the Government that the determined view in Scotland is that the Government are showing something of a pattern in their attitude to the Scottish parliamentary elections, and perhaps in their attitude to Scotland. I am disappointed about that given that I know the Under-Secretary very well and have, I think, worked with him reasonably constructively in the past. I am disappointed by his attitude to last week's Scottish Parliament debate, of which he seemed so disdainful and dismissive. That was not his attitude in the past, and it is beginning to be symptomatic of this Government's attitude to the Scottish Parliament, where substantial points were raised in that debate.

The core of this argument is that, as been acknowledged, an enormous mistake was made in the elections of 2007. Essentially, people believed that the arrangements for the elections were devised to suit the politicians, not the voters. I say in all sincerity that we are in danger of making that mistake again. This is illustrative of the attitude to the Scottish Parliament debate, where we were trying to point out that there are issues of substance. The best way to resolve them is through dialogue and constructive engagement. The fact that the coalition Government made this decision without even cursory reference to the Scottish Parliament or the elected Government of Scotland raises serious and continuing questions about their approach. That undermines our confidence in the Government's ability to resolve the problem.

Mr MacNeil: Will the hon. Lady give way?

Margaret Curran: I am very short of time, so I do not think I can.

Mr MacNeil: Aye, you can.

Margaret Curran: Very briefly—I know what you're like.

Mr MacNeil: I am grateful. Given the problem that the hon. Lady is highlighting, does she not feel that that power should reside with the Scottish Parliament, not here?

Margaret Curran: I know that that has been under discussion for some time, and I think the hon. Gentleman knows our views on that. However, I wish to stick to the core argument.

I make a plea to the Government, who have a real opportunity. If they are prepared to engage with key parties and listen to the different perspectives, perhaps we can come to a shared resolution. Their intransigent attitude of asserting rather than engaging in argument is leading to enormous difficulty, which will be confirmed next year. I plead with the Minister to try to resolve the problem rather than just weep at it when it occurs, and I ask the coalition Government finally to engage with the Scottish Parliament on matters as important as the elections to that Parliament.

8.30 pm

David Mundell: I will respond to as many points related to the order as I can in the time available to me, but if some matters are not covered, I undertake to write to the Members in question. To allow the fullest possible debate, I thought it right to take a large number of interventions because the order and the other matters raised are important to people in Scotland.

I accept the sincerity of the comments of the hon. Member for Glasgow East (Margaret Curran), but I do not accept that it shows disdain for the Scottish Parliament not to agree with a conclusion that it reaches in a debate. I respect its right to have that debate, although frankly I am extremely surprised that it took three months for it to take place if the issue was of such a pressing nature for the public in Scotland. Some valuable contributions were made in it, but they reflected contributions made when the Parliamentary Voting System and Constituencies Bill was debated in this House. Nothing new was added to lead the Government to any view other than that we should hold the referendum on 5 May. Of course, we commit to working with the Scottish Government, Scottish political parties and the Scottish Parliament to ensure that the election and referendum on that day are a success.

Margaret Curran: May I ask why the Minister did not consult the Scottish Parliament about the proposal? Does he regard that as a breach of the respect agenda?

David Mundell: I do not accept that it was a breach of the mutual respect agenda that this Government are pursuing. It was right that a provision of such significance be brought to this House first. As soon as it had been announced to this House, the Scotland Office was in contact with the Scottish Government and parties in the Scottish Parliament, and it has maintained that dialogue.

As I indicated earlier, we accept that the coincidence of the 2015 elections is a significant issue to consider. That is why, earlier in the summer, the Secretary of State wrote to parties and authorities in Scotland to acknowledge that fact, and why the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), indicated that there would be a consultation on the matter. I look forward to hearing the views of the Scottish Labour party and the other parties in the Scottish Parliament as part of that consultation. We are committed to our agenda of mutual respect, and that is highlighted no better than in the Bill that we will shortly bring forward to enhance greatly the powers and responsibilities of the Scottish Parliament.

The hon. Member for Dunfermline and West Fife (Thomas Docherty) made a number of points about the cost of the count. We have been quite clear that the additional costs of the referendum will be met by the UK Government.

We are short of time. The regulations that are contained in the order will allow additional time for consideration of postal voting issues. I have confidence that the Royal Mail in Scotland will be able to cope with all the issues that have been raised.

[David Mundell]

The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) raised a number of points, but I share the view of the hon. Member for Argyll and Bute (Mr Reid) that it was not clear where they were heading. I do not know whether we were being criticised for being too rushed or for being too slow.

The hon. Member for Rutherglen and Hamilton West (Tom Greatrex) showed that he had learned shamelessness from the master, the right hon. Member for East Renfrewshire (Mr Murphy), in suggesting that his party would have brought forward this order quicker. It is not the case; we have kept to as tight a timetable as we can and we have kept the rationale of the previous Government. Many of the issues he raised related to the Parliamentary Voting System and Constituencies Bill, which is currently being dealt with in another place, and, to an extent, to the Fixed-term Parliaments Bill.

The other evening I heard his other mentor, the noble Lord McAvoy, making a passionate speech, highlighting many of the same issues. He raised some specific points, which I will respond to in writing.

Question put.

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 1 December (Standing Order No.41A).

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order 118(6)),

CONSTITUTIONAL LAW

That the draft National Assembly for Wales (Legislative Competence) (Amendment of Schedule 7 to the Government of Wales Act 2006) Order 2010, which was laid before this House on 21 October, be approved.—*(Philip Dunne.)*

Question agreed to.

NORTHERN IRELAND GRAND COMMITTEE

Ordered,

That—

(1) the matter of the implications for Northern Ireland of the Government's Comprehensive Spending Review be referred to the Northern Ireland Grand Committee;

(2) the Committee shall meet at Westminster on Tuesday 7 December at 4.30 pm; and

(3) at that sitting—

(a) the Committee shall consider the matter referred to it under paragraph (1) above; and

(b) the Chairman shall interrupt proceedings not later than two and a half hours after the commencement of proceedings on the matter referred to the Committee—*(Philip Dunne)*

Bookmakers and Planning (Haringey)

Motion made and Question proposed, That this House do now adjourn.—*(Philip Dunne.)*

8.38 pm

Mr David Lammy (Tottenham) (Lab): I am pleased to have secured this Adjournment debate on planning and betting shops in Haringey and somewhat relieved that it has coincided with the interval in the Tottenham-Werder Bremen match in which Tottenham are up 2-0, so I will speak very quickly.

Across the country, we are seeing some of the institutions that form the fabric of our local communities being taken over by big business. Pubs, community centres, independent stores and post offices are being replaced by supermarket chain stores, chain bookmakers and pay-day loan shops. The fluidity of the use classes of our high street shops currently fails to provide adequate protection for iconic premises and essential amenities, and the people of my constituency and of Haringey as a whole are paying the price.

Cultural landmarks that have been anchored in our communities for decades are evaporating and betting shops are opening in their place. In the past three years, Green lanes—the road that bisects the borough—has seen no fewer than three banks and one post office converted into bookmakers.

The latest application for a betting shop on Tottenham High road—the 10th along that stretch of road—would mean a betting shop replacing one of the most famous independent music shops in the north London area. This debate is about Haringey, but it is worth mentioning that the old Hackney town hall, which was built in 1802, is now a bookmaker's, as is the iconic Railway Tavern opposite. That is not to say that I am against gambling—far from it. Bookmakers certainly have a place on our high street, but there is such a thing as having too many.

The consequences are not simply a change in lifestyle and a longer walk to the bank or the post office, although those need to be taken into account, but a vastly different neighbourhood. In my view, it sends the wrong message in the midst of an economic downturn if the people who are in need of financial advice find a virtual roulette wheel where they once could have received advice on saving. My constituency has 39 bookmakers but no book shops. What message does that send about what we value in our community?

Community services and iconic businesses need protection if we are to achieve vibrant and sustainable high streets. I fully support the Protection of Local Services (Planning) Bill, which is promoted by the hon. Member for Selby and Ainsty (Nigel Adams), because it would give councils precisely that power. In Haringey, the failure of planning laws has meant more than simply the loss of essential local amenities; planning laws have allowed betting shops to cluster and dominate an entire commercial area. That undermines the sustainability of high streets and limits the diversity of footfall.

Stephen Gilbert (St Austell and Newquay) (LD): I congratulate the right hon. Gentleman on securing this important debate. His diagnosis of the problem is absolutely right, but as a Minister in the Department that implemented the Gambling Act 2005, does he feel remorse that he lacked the foresight to see this situation coming down the road, and that he rejected representations made in this House on precisely that issue?

Mr Lammy: I am coming to that, but I am happy to acknowledge that there were mistakes in the 2005 Act. When the hon. Gentleman reads the *Hansard* reports of debates on that measure, he will find virtually no discussion of bookmakers. As he might remember, although he was not a Member of the House at the time, the debate was predominantly about super-casinos. That is precisely why the problems I am talking about came in through the back door. That situation undermines the sustainability of high streets, limits the diversity of footfall and acts as a deterrent to any prospective business that is looking to invest in our area. We sacrifice the diversity and vibrancy of a high street by allowing an increasing number of shop fronts to be occupied by the same, narrow-appealing trade.

Outside Wood Green tube station, there are five shops within 150 metres, three with the same operator. Along Green lanes there are nine gambling premises within 300 metres. As I said, this debate is about Haringey, but the problem is broader. There are 10 betting shops within 300 metres of Ealing Broadway tube station. In Chinatown in Westminster, not far from here, there are more than 60 gambling premises within a five-minute walk of the pagoda. That is unacceptable. I joined the Chinese community just two weeks ago to campaign against the law that has allowed that to happen. Chinese owners of premises and shopkeepers are being driven out of the area. Even in Guildford, which is very different to my constituency, six gaming centres have packed into the same warehouse building. Clustering is so evident that even the industry lobby group, the Association of British Bookmakers, conceded in a recent parliamentary briefing that

> "in areas of high population density, shops have clustered around particular high street locations."

Indeed, in an evidence session to the scrutiny committee of Haringey council, betting shop operators outlined why clustering is inevitable where there is an unfettered market, as is currently the case. Operators poach each other's development staff, and knowledge about the profitable locations is shared throughout the industry. Where a successful betting shop exists, rivals congregate nearby to share the profits. Clustering of betting shops is inevitable when regulation is as loose as it is.

It is also worth recognising what bookmakers have become over the past few years. What they offer is a far cry from the romantic vision of placing a small bet on the grand national. The main trade for bookmakers is through fixed-odds betting terminals, which are gaming machines that allow people to play casino games with casino stakes, but at three times the speed. They are highly addictive, allowing users to place stakes of £100 a time, and are known as the crack cocaine of betting for that reason. Such machines are what make betting shops profitable, and the limit of four per shop is what makes further betting premises viable. Betting shops increasingly resemble casinos, except that they do not require the same levels of regulation. Are we comfortable with the fact that a limitless number of betting shops can open up anywhere on our high streets? Are we comfortable that there are five such mini-casinos within

[Mr Lammy]

150 metres of the gates of John Loughborough secondary school, particularly given the industry's poor record on age verification? By allowing betting shops to proliferate and cluster, we risk normalising a form of gambling that is dangerously addictive and socially destructive.

In Haringey, 2,000 residents have signed petitions against further betting shops. The local traders association has come out against further such shops opening, and tackling clustering receives cross-party support from local councillors. The issue is constantly brought up at local area assemblies, and people such as Ian Sygrave and Peter Lorimer have mounted campaigns to marshal the energy of local residents. Campaign groups such as Find Your Voice have held rallies outside proposed sites in Tottenham, and the people of Harringay online, the online community forum for those around the Green lanes area, have documented the changes to their local community through photos and maps. However, that consensus and energy cannot translate into action because the people of Haringey find themselves powerless.

The clustering of betting shops in Haringey is a consequence of poor licensing legislation. The debate on the Gambling Act 2005 concerned itself too much with super-casinos and their licensing, but neglected to consider the wider impact of removing demand tests for new betting shops. We are left with a licensing framework that requires licensing authorities to "aim to permit", yet prevents residents, councillors or interested parties from opposing a premise licence on the basis of how many exist already and gives no scope for considering the cumulative impact of additional premises. It is a licensing framework that burdens councils with legal costs of up to £10,000 if their rejection of a licence is overturned on appeal to a magistrates court, and creates an active disincentive for councils to oppose licences.

However flawed the licensing system may be, those flaws manifest themselves in planning. That is certainly how the Government have advised Haringey council to handle the matter: the Minister's colleague, the Secretary of State for Culture, Olympics, Media and Sport, advised Haringey to pursue an article 4 direction. However, council officials estimate that such a plan could take years to research and implement, and the council could be liable to compensate the businesses affected. That would take up resources and money—resources and money that are obviously scarce at a time of considerable cuts to local authority budgets. I therefore urge the Minister and his colleagues to make real changes to planning laws and give local residents and local councils the power that they need to tackle clustering.

Stephen Gilbert: The right hon. Gentleman is probably aware that I used to be a councillor in the London borough of Haringey, so I have an interest in the issue and the area. Is he aware that in 1997, 42% of planning decisions were taken by local councillors, enabling them to stand up for their communities? Ten years later, under Labour, that figure had fallen from 42 to 10%.

Mr Lammy: The hon. Gentleman chooses to use this debate to make partisan points. I am saying that this is a cross-party issue, and I am sorry that when he was on Haringey council he did not see it as such. Back in 1997, we did not have the number and clustering of betting shops that we have now. Clearly there is a problem, and we must deal with it.

Current law—the Town and Country Planning (Use Classes) Order 1987—groups betting shops in the A2 category alongside banks, credit unions and estate agents. A betting shop may open in any premises previously occupied by any of these without the need for planning permission. Do we really believe that betting shops have the same economic impact as banks and credit unions? Do they really cater to the same broad range of customers? Do they both attract similar levels of antisocial behaviour? Yes, they share the characteristics of being low-stock, high-turnover businesses, but do we really believe that a social enterprise service office can pay the same levels of rent as a multinational bookmaking company?

Even that is not the full story. Current planning law allows betting shops to open in restaurants and cafés under class use A3, in drinking establishments under A4 and takeaways under A5, without planning permission. More than 45% of shop frontage in the borough is open to betting shops to move into without planning permission being required.

Tessa Munt (Wells) (LD): Will the right hon. Gentleman give way?

Mr Lammy: I will not give way.

I do not want my constituency to turn into the sort of place that can be seen in some urban areas of the United States, with a predominance of liquor shops polluting the area and causing real problems where there is genuine need. I raise this issue not from a partisan position but openly admitting that mistakes were made in relaxing the rules and that there has been a lack of scrutiny here and in the other place. Given the limitations of the licensing framework, the aim to permit, the inability to consider the cumulative impact and the onus on planning to prevent clustering and saturation occurring, it is clear that the current A2 classification does not provide councils and residents with the powers they need to address these concerns.

Will the Minister consider a revision of the classification of betting shops from A2 to sui generis, a category unto itself. After all, the diversity of footfall that they attract is unique. Their economic impact in an area is wholly different from that of almost any other establishment, particularly those in the A2 class. A sui generis planning category for betting shops would not be revolutionary. Casinos and amusement arcades, which have similar characteristics, are classed as such. Being able to consider each planning application in kind would enable councils and residents to consider the cumulative impact of an additional betting shop, and they could manage the proportion of frontage occupied by them.

Tessa Munt: Will the right hon. Gentleman give way?

Mr Lammy: I want to hear from the Minister, so I will not give way at this stage.

Planning law does not exist to prevent gambling, but it should be able to manage it in the context of achieving a sustainable and diverse shopping area. I welcome the Government's instincts for localism, and I want the concerns of the citizens of Haringey, Chinatown, Hackney, Guildford, Lewisham and countless other areas reflected in the decentralisation and localism Bill.

Is it acceptable that the full force of local democracy and Haringey's civil society can make hardly a dent in the gambling industry's ability to open new premises in the borough? That is the simple question for the Minister. I hope that he will incorporate the proposals made by the hon. Member for Selby and Ainsty to allow communities to protect the local services they hold dear. Will he consider giving communities the power to manage the businesses that communities hold less dear, and which indeed threaten the identity and vibrancy of their area? Will he allow neighbourhood plans to limit the percentage of shop frontage available to betting shops?

Tessa Munt: I clearly have no connection with Haringey. My constituency is in rural Somerset and has coastal towns at Highbridge and Burnham-on-Sea. Burnham-on-Sea, in common with probably most town centres and high streets, suffers from a proliferation of betting shops. On the coast, there are also a number of gaming machine shops specifically dedicated to that kind of activity. Surely there must be a way—either in the localism Bill or perhaps by local authorities arriving at a definition of what they want—of allowing local authorities to insist that these kinds of shops are situated at first-floor level or above. That would get rid of the problem of people, especially young people, passing along a high street and seeing the enormous shop fronts which the hon. Gentleman has complained about. If we put those businesses on the first or second floor or above, they would need to find ways for people to access them under the terms of the Disability Discrimination Act 1995, but we would be left with only a shop doorway—

Madam Deputy Speaker (Dawn Primarolo): Order. I regret that this is becoming a speech rather than an intervention.

Mr Lammy: I have huge sympathy with the hon. Lady's point, and I hope that we can form an alliance across the House. She is absolutely right to draw attention to young people, because the last survey was deeply worrying as it showed the large number of young people who found their way into those premises. Indeed, if she visits my constituency in the middle of the day and looks through the window of these places, she will see young people playing on the machines there, which is deeply worrying.

I look forward to hearing what the Minister has to say. He is familiar with my constituency, and I hope he will recognise the strength of feeling from all parties in the House that the present legislative framework is not right and that people need better local determination on the proliferation, clustering and dominance of these premises on our high streets and in our town centres.

8.57 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): I congratulate the right hon. Member for Tottenham (Mr Lammy) on securing this debate on planning law and bookmakers in Haringey. I know that he has strong feelings about the issue; he has spoken to me about it on the telephone and met the Minister of State, Department for Communities and Local Government, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), who is responsible for decentralisation and planning, to talk about it. The debate has raised some important issues about balancing sustainable development with community needs, and I am pleased to be able to respond.

I shall deal first with the planning process. Reference has been made to the planning and licensing regimes, and it is worth remembering that, although there is an overlap between the two, they are separate and distinct regimes that, in some measure, fulfil different purposes. The right hon. Gentleman was particularly concerned about problems that might arise in the planning process where planning permission was not required to change the use of a building to another use. I will come on to that, but it might help if I first explain the context of these issues.

To achieve the aim of balanced and sustainable communities, we need homes, jobs, leisure facilities and places to shop, in locations where they can be accessed by all. That is why we focus new development and activities in the cities, towns and villages in which we live. However, we accept that tensions occasionally arise from locating different types of development and land uses next to one another or where particular uses become concentrated. The right hon. Gentleman referred to those tensions, as did my hon. Friends the Members for St Austell and Newquay (Stephen Gilbert) and for Wells (Tessa Munt). It is therefore important to have a planning system that balances the need to allow business to grow with protections for the community from negative impacts of development. We must also remember that we often have to deal with business uses that are controversial but also lawful, and a balance has to be struck in those cases as well. The planning process seeks to ensure that our communities get the right type of development, located in the right location, to maximise benefits for everyone and, as far as possible, prevent negative impacts.

Against that background, let me move on to the subject of the debate—specifically, the problems that can arise when planning permission is not needed because the use classes order allows one type of property to be converted into another type without planning permission being required. I have to explain the background to the use classes order, the purpose of which is often misunderstood. The order was introduced to remove unnecessary planning applications from the planning system and to speed up that system. The use classes order is a concept that has been established for many years. It groups together uses that have similar land-use impacts and characteristics. It is limited in that sense. Broader issues such as those to which the right hon. Gentleman referred may arise, but that is not what the use classes order is intended to deal with. Changes of use within a class are not considered to be development, so they do not require planning permission.

The relevant class for our discussion tonight is the A2 use class, which includes a range of different properties used in general terms for financial services, including banks, betting shops and estate agents. One can argue about how these things break down, but the fact remains that these are distinct from the different use class that would include fast-food or retail shops. Of course, I accept that two developments, even if characterised together within the same use class, might not have precisely the same operating characteristics—shops can have different opening and delivery times, for example.

[Robert Neill]

The planning system grants further flexibility by allowing some changes of use between classes to take place without the need for planning application. This applies where the impacts of the proposed use are considered to be less than those of the existing use. In this case, hot-food takeaways, pubs and restaurants can all be converted to the A2 financial services class without the requirement for planning application. One can see the logic in that the impact of a bank or a building society might be less than that of takeaway—there may not be the same cooking smells, for example, and in this day and age I suspect fewer people come out of the bank singing cheerfully at closing time than out of a public house. The impact is less, so no planning application is required.

The key difference is that local authorities have the power to remove that bit of the freedom of movement—the conversion to something that has a lesser impact. That is the article 4 direction to which the right hon. Gentleman referred. If we remove that article 4 direction, a planning application is required. That can be done by the local planning authority if there are local concerns about such developments. That is why this option was available and has been suggested in respect of the situation in Haringey.

Mr Lammy: Does the Minister accept that it is very costly to proceed through an article 4? The main point is that bookmakers should clearly not be in the A2 class with banks. They should be in a separate class of their own. I suspect that the hon. Gentleman understands that because he concentrates his remarks on banks and estate agents. Bookmakers are wholly different; surely they should be somewhere near to casinos and amusement parks.

Robert Neill: Two or perhaps three points arise. I was interested in the right hon. Gentleman's observation that his local council thinks it would take years to produce the policy for an article 4 direction. I can see nothing on the face of the system that should require such a long period. Secondly, there is compensation. We must have a rule that applies to all article 4 directions because such a direction is—justifiably or otherwise—an interference or at least a restriction on the proprietary rights of the owner of the property. It limits what the owner can do with that property, which can affect its value, so it is reasonable and proportionate that there should be compensation. We cannot say that that should be any different for an article 4 direction that applies to only one type of use as opposed to another. That would be neither just nor proportionate.

A case can be made, but various people will have different value judgments about the social, moral, ethical or economic worth of certain types of business uses. The use classes order, however, deals with land uses rather than making value judgments about certain types of business uses.

Tessa Munt: On a pier, for example, there is often a discrete area where people might expect to see such activity taking place. I assume that piers will not fall within the general conditions relating to high streets and town centres to which the right hon. Member for Tottenham (Mr Lammy) and I have referred.

Robert Neill: I understand the hon. Lady's point, and also the point made by my hon. Friend the Member for St Austell and Newquay. We must accept that the planning system is not intended to deal with all issues of social contention to which value judgments apply. There is a separate licensing system which, to some degree, handles such matters as well, but the planning system, and in particular the use classes order, may not be the best vehicle to deal with what is a legitimate issue of social debate: the worth or otherwise of certain legal activities. That is why I think there is a difficulty in the right hon. Gentleman's proposition about a sui generis use class order. I accept that some of his points have force, and I accept that his concerns and those of his constituents are genuine. There are tensions in cases such as this, and the face of a high street can change if one particular use comes to dominate. However, as I have said, we cannot expect the planning system to be capable of solving all community issues. It is necessary to find a balance.

We have examined the position, and while I accept that in some cases difficulties can arise, I do not think it necessary to consider whether a national approach would be proportionate when there is no evidence to suggest that the proliferation of betting shops is a widespread problem that requires national legislation. There is also no evidence to suggest that banks are withdrawing from high streets because of betting shops, although they may be doing so for other reasons.

Tessa Munt: I beg to differ, given the quantity of casework with which I deal involving increasingly younger groups of people who have to search for help from the citizens advice bureau and various Christian organisations—I met representatives of one in Cheddar, in my constituency, on Saturday—because of disproportionate amounts of debt that originated from gambling.

Robert Neill: I am not suggesting that that is not an issue, but it is necessary to establish whether the planning law or the licensing regime is appropriate. My colleagues in the Department for Culture, Media and Sport have expressed willingness to monitor the extent to which the number and concentration of betting shops have changed since the Gambling Act 2005 came into force, and to establish whether there is a causal link between undesirable social impacts and any proliferation. They will continue to work with local authorities to that end.

Finally, a localism Bill will give local authorities more discretion in regard to the way in which they reflect local need in the planning process. Before too long, we will present proposals relating both to the Bill and to associated planning reforms. I do not suggest that that will automatically provide a silver bullet either, but we will keep these matters under review.

9.8 pm

House adjourned without Question put (Standing Order No. 9(7)).

Deferred Divisions

NORTHERN IRELAND

That the draft Local Elections (Northern Ireland) Order 2010, which was laid before this House on 25 October, be approved.

The House divided: Ayes 337, Noes 217.

Division No. 126]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burnham, rh Andy
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dobbin, Jim
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hermon, Lady
Heyes, David
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Meale, Mr Alan
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian

Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan

Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Question accordingly agreed to.

NORTHERN IRELAND

That the draft Northern Ireland Assembly (Elections) (Amendment) Order 2010, which was laid before this House on 25 October, be approved.

The House divided: Ayes 338, Noes 216.

Division No. 127]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burnham, rh Andy
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dobbin, Jim
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hermon, Lady
Heyes, David
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Meale, Mr Alan
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon

Reid, Mr Alan
Robathan, Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth

Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Question accordingly agreed to.

HEALTH AND SAFETY

That the draft Justification Decision (Generation of Electricity by the EPR Nuclear Reactor) Regulations 2010, which were laid before this House on 18 October, be approved.

The House divided: Ayes 520, Noes 27.

Division No. 128]

AYES

Abbott, Ms Diane
Adams, Nigel
Afriyie, Adam
Ainsworth, rh Mr Bob
Aldous, Peter
Alexander, rh Danny
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Balls, rh Ed
Banks, Gordon
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barron, rh Mr Kevin
Barwell, Gavin
Bayley, Hugh
Bebb, Guto
Beckett, rh Margaret
Begg, Miss Anne
Bellingham, Mr Henry
Benn, rh Hilary
Benton, Mr Joe
Benyon, Richard
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackman-Woods, Roberta
Blackwood, Nicola
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Bradshaw, rh Mr Ben
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brennan, Kevin
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bruce, Fiona
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burden, Richard
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Byrne, rh Mr Liam
Cairns, Alun
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chapman, Mrs Jenny
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clark, Katy
Clarke, rh Mr Kenneth
Clarke, rh Mr Tom
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Collins, Damian
Colvile, Oliver
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cox, Mr Geoffrey
Crabb, Stephen
Creagh, Mary
Crouch, Tracey
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davey, Mr Edward
David, Mr Wayne
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Geraint
Davies, Glyn
de Bois, Nick
De Piero, Gloria
Dinenage, Caroline
Djanogly, Mr Jonathan
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle, Gemma
Doyle-Price, Jackie
Drax, Richard
Dromey, Jack
Duddridge, James
Dugher, Michael
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellis, Michael
Ellison, Jane
Ellman, Mrs Louise
Ellwood, Mr Tobias
Elphicke, Charlie
Esterson, Bill
Eustice, George
Evans, Chris
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farrelly, Paul
Field, Mr Mark
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Fox, rh Dr Liam
Francis, Dr Hywel
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr Edward
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Gilmore, Sheila
Glass, Pat
Glen, John
Glindon, Mrs Mary
Goggins, rh Paul
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Greatrex, Tom
Green, Damian
Green, Kate
Greening, Justine
Greenwood, Lilian
Grieve, rh Mr Dominic
Griffith, Nia
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Gyimah, Mr Sam
Hain, rh Mr Peter
Halfon, Robert
Hamilton, Mr David
Hamilton, Fabian
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hanson, rh Mr David
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harris, Mr Tom
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendrick, Mark
Hendry, Charles
Hepburn, Mr Stephen
Herbert, rh Nick
Hermon, Lady
Hillier, Meg
Hilling, Julie
Hinds, Damian
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Huhne, rh Chris
Hunt, Tristram
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda

Jackson, Mr Stewart
James, Margot
Jamieson, Cathy
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Diana
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Mr Marcus
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeley, Barbara
Kelly, Chris
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lammy, rh Mr David
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Lavery, Ian
Laws, rh Mr David
Lazarowicz, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leslie, Charlotte
Leslie, Chris
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Mr Ivan
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Tony
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lucas, Ian
Luff, Peter
Lumley, Karen
Macleod, Mary
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Main, Mrs Anne
Mann, John
Marsden, Mr Gordon
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCartney, Jason
McCartney, Karl
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McIntosh, Miss Anne
McKechin, Ann
McKinnell, Catherine
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Meale, Mr Alan
Mearns, Ian
Menzies, Mark
Metcalfe, Stephen
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morrice, Graeme *(Livingston)*
Morris, Anne Marie
Morris, David
Morris, Grahame M. *(Easington)*
Morris, James
Mosley, Stephen
Mowat, David
Mudie, Mr George
Mundell, rh David
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Murray, Sheryll
Murrison, Dr Andrew
Nandy, Lisa
Nash, Pamela
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Donnell, Fiona
Ollerenshaw, Eric
Onwurah, Chi
Opperman, Guy
Osborne, rh Mr George
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Pearce, Teresa
Penrose, John
Percy, Andrew
Perkins, Toby
Perry, Claire
Phillips, Stephen
Phillipson, Bridget
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Qureshi, Yasmin
Raab, Mr Dominic
Randall, rh Mr John
Raynsford, rh Mr Nick
Reckless, Mark
Redwood, rh Mr John
Reed, Mr Jamie
Rees-Mogg, Jacob
Reevell, Simon
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robathan, Mr Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr Laurence
Robinson, Mr Geoffrey
Rosindell, Andrew
Rotheram, Steve
Roy, Mr Frank
Ruane, Chris
Rudd, Amber
Ruddock, rh Joan
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Sarwar, Anas
Scott, Mr Lee
Seabeck, Alison
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Sharma, Mr Virendra
Sheerman, Mr Barry
Shelbrooke, Alec
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Sir Robert
Soames, Nicholas
Soulsby, Sir Peter
Spellar, rh Mr John
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Straw, rh Mr Jack
Streeter, Mr Gary
Stride, Mel
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Sutcliffe, Mr Gerry
Swales, Ian
Swayne, Mr Desmond
Syms, Mr Robert
Tami, Mark
Teather, Sarah
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Tyrie, Mr Andrew
Umunna, Mr Chuka
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, rh Keith
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walley, Joan
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whitehead, Dr Alan
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Phil
Wilson, Mr Rob
Winnick, Mr David
Winterton, rh Ms Rosie
Wollaston, Dr Sarah
Woodcock, John
Wright, David
Wright, Jeremy
Young, rh Sir George
Zahawi, Nadhim

NOES

Burnham, rh Andy
Denham, rh Mr John
Dobbin, Jim
Durkan, Mark
Edwards, Jonathan
Engel, Natascha

Flynn, Paul
Goldsmith, Zac
Heyes, David
Hopkins, Kelvin
Horwood, Martin
Howarth, rh Mr George
Johnson, rh Alan
Leech, Mr John
Llwyd, Mr Elfyn
Lucas, Caroline
MacNeil, Mr Angus Brendan
McDonnell, John
Robertson, Angus
Singh, Mr Marsha
Skinner, Mr Dennis
Trickett, Jon
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Williams, Hywel
Wishart, Pete

Question accordingly agreed to.

HEALTH AND SAFETY

That the draft Justification Decision (Generation of Electricity by the AP1000 Nuclear Reactor) Regulations 2010, which were laid before this House on 18 October, be approved.

The House divided: Ayes 517, Noes 26.

Division No. 129]

AYES

Abbott, Ms Diane
Adams, Nigel
Afriyie, Adam
Ainsworth, rh Mr Bob
Aldous, Peter
Alexander, rh Danny
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Balls, rh Ed
Banks, Gordon
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barron, rh Mr Kevin
Barwell, Gavin
Bayley, Hugh
Bebb, Guto
Beckett, rh Margaret
Begg, Miss Anne
Bellingham, Mr Henry
Benn, rh Hilary
Benton, Mr Joe
Benyon, Richard
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackman-Woods, Roberta
Blackwood, Nicola
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Peter
Bradley, Karen
Bradshaw, rh Mr Ben
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Brennan, Kevin
Bridgen, Andrew
Brokenshire, James
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bruce, Fiona
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burden, Richard
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Byrne, rh Mr Liam
Cairns, Alun
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chapman, Mrs Jenny
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clark, Katy
Clarke, rh Mr Kenneth
Clarke, rh Mr Tom
Clifton-Brown, Geoffrey
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Collins, Damian
Colvile, Oliver
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cox, Mr Geoffrey
Crabb, Stephen
Creagh, Mary
Crouch, Tracey
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davey, Mr Edward
David, Mr Wayne
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Geraint
Davies, Glyn
de Bois, Nick
De Piero, Gloria
Dinenage, Caroline
Djanogly, Mr Jonathan
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle, Gemma
Doyle-Price, Jackie
Drax, Richard
Dromey, Jack
Duddridge, James
Dugher, Michael
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellis, Michael
Ellison, Jane
Ellman, Mrs Louise
Ellwood, Mr Tobias
Elphicke, Charlie
Esterson, Bill
Eustice, George
Evans, Chris
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farrelly, Paul
Field, Mr Mark
Fitzpatrick, Jim
Fiello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Fox, rh Dr Liam
Francis, Dr Hywel
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr Edward
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Gilmore, Sheila
Glass, Pat
Glen, John
Glindon, Mrs Mary
Goggins, rh Paul
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Greatrex, Tom
Green, Damian
Green, Kate
Greening, Justine
Greenwood, Lilian
Grieve, rh Mr Dominic
Griffith, Nia
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Gyimah, Mr Sam
Hain, rh Mr Peter
Halfon, Robert
Hamilton, Mr David
Hamilton, Fabian
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hanson, rh Mr David
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harris, Mr Tom
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendrick, Mark
Hendry, Charles
Hepburn, Mr Stephen
Herbert, rh Nick
Hermon, Lady
Hillier, Meg
Hilling, Julie
Hinds, Damian
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Huhne, rh Chris
Hunt, Tristram
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Illsley, Mr Eric

Irranca-Davies, Huw
Jackson, Glenda
Jackson, Mr Stewart
James, Margot
Jamieson, Cathy
Javid, Sajid
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Mr Marcus
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeley, Barbara
Kelly, Chris
Kendall, Liz
Kennedy, rh Mr Charles
Khan, rh Sadiq
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lammy, rh Mr David
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Lazarowicz, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leslie, Charlotte
Leslie, Chris
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Mr Ivan
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Tony
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lucas, Ian
Luff, Peter
Lumley, Karen
Macleod, Mary
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
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McVey, Esther
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Mosley, Stephen
Mowat, David
Mudie, Mr George
Mundell, rh David
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Murray, Sheryll
Murrison, Dr Andrew
Nandy, Lisa
Nash, Pamela
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Donnell, Fiona
Ollerenshaw, Eric
Onwurah, Chi
Opperman, Guy
Osborne, rh Mr George
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Pearce, Teresa
Penrose, John
Percy, Andrew
Perkins, Toby
Perry, Claire
Phillips, Stephen
Phillipson, Bridget
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Qureshi, Yasmin
Randall, rh Mr John
Raynsford, rh Mr Nick
Reckless, Mark
Redwood, rh Mr John
Reed, Mr Jamie
Rees-Mogg, Jacob
Reevell, Simon
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robathan, Mr Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr Laurence
Robinson, Mr Geoffrey
Rosindell, Andrew
Rotheram, Steve
Roy, Mr Frank
Ruane, Chris
Rudd, Amber
Ruddock, rh Joan
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Sarwar, Anas
Scott, Mr Lee
Seabeck, Alison
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Sharma, Mr Virendra
Sheerman, Mr Barry
Shelbrooke, Alec
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Sir Robert
Soames, Nicholas
Soulsby, Sir Peter
Spellar, rh Mr John
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Straw, rh Mr Jack
Streeter, Mr Gary
Stride, Mel
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Sutcliffe, Mr Gerry
Swales, Ian
Swayne, Mr Desmond
Syms, Mr Robert
Tami, Mark
Teather, Sarah
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Tyrie, Mr Andrew
Umunna, Mr Chuka
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, rh Keith
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walley, Joan
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whitehead, Dr Alan
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Phil
Wilson, Mr Rob
Winnick, Mr David
Winterton, rh Ms Rosie
Wollaston, Dr Sarah
Woodcock, John
Wright, David
Wright, Jeremy
Young, rh Sir George
Zahawi, Nadhim

NOES

Burnham, rh Andy
Denham, rh Mr John
Dobbin, Jim
Durkan, Mark

Edwards, Jonathan
Engel, Natascha
Flynn, Paul
Goldsmith, Zac
Heyes, David
Hopkins, Kelvin
Horwood, Martin
Howarth, rh Mr George
Leech, Mr John
Llwyd, Mr Elfyn
Lucas, Caroline
MacNeil, Mr Angus Brendan
McDonnell, John
Robertson, Angus
Singh, Mr Marsha
Skinner, Mr Dennis
Trickett, Jon
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Williams, Hywel
Wishart, Pete

Question accordingly agreed to.

House of Commons

Thursday 25 November 2010

The House met at half-past Ten o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Redundancy Costs (Local Authorities)

1. **Mr David Blunkett** (Sheffield, Brightside and Hillsborough) (Lab): What estimate he has made of the likely amount local authorities will incur in redundancy costs in the next 18 months. [26198]

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is for individual councils locally to determine redundancy policies based on their own circumstances. Decisions about when and how to make and manage work force reductions, including policies on redundancy payments, are rightly for individual councils to make as the employers.

Mr Blunkett: Ministers do not have the first idea what the cost will be to local taxpayers. Is this not a triple whammy, whereby families and individuals lose their services, communities find that provision is taken from them and individuals lose their jobs? Is it not correct that instead of paying for services, council tax payers will have to pay for redundancies for services that are being withdrawn? Is it not a scandal that the Government do not know what the impact will be?

Robert Neill: The Government have endeavoured to assist the most vulnerable local councils by increasing the amount of money available in the formula grant that is not ring-fenced, moving more money into formula grant, reducing the amount of ring-fencing and rolling more grants into one. I imagine that when his Government were in office, the right hon. Gentleman would have complained greatly about their removal of working neighbourhoods funding for his city of Sheffield, which will cost the city some £38 million We will endeavour to find the means to cushion that—

Mr Speaker: Order. We are talking about redundancy costs, so we must get on with it.

Simon Hughes (Bermondsey and Old Southwark) (LD): I gather that in the comprehensive spending review the Government allocated £200 million for the capitalisation cost of redundancy payments. I also gather that local authority chief executives and treasurers suggest that the costs might be between £1.5 billion and £3 billion. If they are correct and the Government estimate is much lower than the actual sums involved, what are the Government going to do about it?

Robert Neill: Capitalisation, which enables local authorities to treat revenue expenditure as capital and borrow for it is an exception to the accounting rules, so there has always been a need for some control, and capitalisation for a number of streams has never run at 100%. It is also worth bearing in mind that local authorities have been aware for some time that reductions in expenditure were inevitable—they were planned by the previous Government. A shrewd authority will therefore have planned to deal with the problem in advance.

Jack Dromey (Birmingham, Erdington) (Lab): Local government now predicts an 11% cut in council budgets next year, with 140,000 jobs lost and a redundancy bill in excess of £2 billion—not the £200 million originally predicted by Ministers. Is local government right? Do Ministers know, or is the truth that they simply do not care about the public servants they will lay off or the public services that they will lay to waste?

Robert Neill: The greatest threat to public services for the future is failure to tackle the unprecedented deficit that the previous Government left us. We are prepared to work with local government to deal with those issues, but the hon. Gentleman and his party clearly have no answers whatever.

Unauthorised Encampments

2. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What steps he is taking to reduce the number of unauthorised encampments. [26200]

6. **Jonathan Lord** (Woking) (Con): What steps he is taking to reduce the number of unauthorised encampments. [26204]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): Local authorities will be responsible for determining the right level of Traveller site provision in their area to meet local needs and historic demands. We will encourage councils to provide sites with incentives through the new homes bonus scheme and grant funding for local authorities to deliver new sites.

Eric Ollerenshaw: Will my right hon. Friend give us some idea of the time frame for the withdrawal of planning order circular 01/06? In the meantime, does he take the view that the Government's intention to withdraw this circular should be a material consideration at both the planning and appeal stage?

Mr Pickles: We have certainly stated our intention to repeal circular 01/06 and we shall shortly start consultation on an alternative to it. In the meantime, given that the localism Bill will substantially change planning on these matters, I can say that our intention almost certainly is a material consideration.

Jonathan Lord: Residents of the village of Normandy in my constituency are fed up with the never-ending cycle of encampments on green-belt fields, retrospective planning applications and seemingly unenforceable planning refusals. Does my right hon. Friend really believe that the measures he has described will provide a proper and permanent solution for my concerned constituents?

Mr Pickles: The short answer to that is, of course, yes.

I am afraid that the policy pursued by the last Government left us in a very difficult position. Let me give an indication of how difficult it has become. I remind Members that in 1997 there were 887 unlawful encampments. That figure was bad enough, but it has now shot up to 2,395. As for the second part of my hon. Friend's question, we intend to restrict retrospective planning applications substantially.

Chris Leslie (Nottingham East) (Lab/Co-op): May I warn the Secretary of State of a new type of unauthorised encampment? In my city of Nottingham, the chief executive of Framework, a major charity for the homeless, warned this week that there would be hundreds of rough sleepers in tents in the woods or in sheds on industrial estates as a result of the swingeing cuts that the Secretary of State has implemented in the Supporting People budget. Will he please think again?

Mr Pickles: I think that the hon. Gentleman may be a little mistaken. As he will know, the Government have passported £6.5 billion to local authorities to support people, and we expect that money to be passed on to the most vulnerable.

David Simpson (Upper Bann) (DUP): Does the Secretary of State agree that no element of human rights legislation contains any provision allowing antisocial behaviour, or enshrining any kind of right or protection allowing people in unauthorised encampments to participate in such behaviour?

Mr Pickles: We are trying to achieve a balanced approach. The last policy was unrealistic. To hit the 2011 targets set by the last Government, we would have to wait for a further 18 years because we are so far behind. I believe that that policy was predicated on conflict, whereas we want to ensure that there is firm action on retrospective planning applications and enforcement. We will end the continuous process of appeal on application, subsequent application and stop notice, but at the same time we hope to introduce mainstream provision for Travellers by including provisional sites in the new homes bonus.

Local Authority Funding

3. **Simon Danczuk** (Rochdale) (Lab): What representations he has received from local authorities on likely changes to funding from his Department since the publication of the comprehensive spending review. [26201]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): I have received a number of representations about the challenging but fair settlement for local government. We will shortly announce details of our proposals for funding local authorities in the provisional local government finance settlement.

Simon Danczuk: The Secretary of State's failure to stand up for councils in the CSR is having a devastating impact on jobs and services in Rochdale. Provision for the homeless, community centres, adult care and many other services are being cut. The situation is so bad that six Liberal Democrat councillors resigned last week, and yesterday the Liberal council leader stood down. Because of the Secretary of State's cuts, the local authority is in turmoil. When will he stand up for local government?

Mr Pickles: I should have thought that the hon. Gentleman would congratulate the coalition Government. We recognise that a number of authorities are more dependent on grant than others. We face a particularly difficult task in relation to Rochdale, as we must bridge just short of £6 million that the Labour Government took from the working neighbourhoods fund, but we will certainly seek to provide that cushion. My advice to the hon. Gentleman is "Go back to Rochdale, put a bit of lead in their pencil, and let them get on with protecting front-line services rather than fighting among themselves."

Bob Blackman (Harrow East) (Con): Does my right hon. Friend agree, on the basis of the representations that he has received from local authorities, that every progressive authority in the country will have planned for the reductions in expenditure? Does he intend to ensure that councils are able to freeze council tax following the years of rapid increases under Labour?

Mr Pickles: Absolutely. What was going to happen to local government was well showcased. It was clear from the previous Chancellor's statement in autumn 2009 and the Budget earlier this year, before the general election, that at least £5 billion was coming out of local authorities and that that would be front-loaded. I would therefore expect prudent local authorities and prudent chief executives to have taken the necessary precautions.

Barbara Keeley (Worsley and Eccles South) (Lab): The worst aspect of these cuts to local authority budgets, which amount to 28% in real terms over the next four years, is that they are front-loaded. The hardest hit councils are facing reductions in their grants next year of 14%, 18%, 20% or even more. That means they have to plan their service cuts and redundancies now, so may I urge the Secretary of State to think again about the scale of these cuts or to alter their phasing so that councils are not forced to take what will be very damaging crisis measures?

Mr Pickles: "As we look forward", regeneration spending is

"not the biggest priority we face"

as there are "other competing priorities." I apologise: perhaps I should have made it clear that those were the words of the now Leader of the Opposition, speaking on the Radio 4 "Today" programme on 12 April, just before the general election. That is the dilemma. The Opposition have a blank piece of paper. They oppose everything when they know, as we know, that they were going to impose £5 billion of front-loaded cuts on local authorities.

Margot James (Stourbridge) (Con): May I ask the Secretary of State to join me in congratulating my council, Dudley metropolitan borough council, on engaging in discussions with Wolverhampton, Walsall and Sandwell councils about rationalising services and reducing back-office costs without affecting front-line services?

Mr Pickles: I have to say that that is the future of local government. We expect local authorities to merge services and to protect the front line. Prudent councils are doing that. Councils that are more content to use the poor and the vulnerable as a battering ram against the Government will seek to protect the centre and not seek to protect front-line services, whereas good councils will protect the front line.

Local Authority Powers

4. **Mr Nick Raynsford** (Greenwich and Woolwich) (Lab): What progress has been made in devolving more powers and financial autonomy to local authorities. [26202]

The Minister of State, Department for Communities and Local Government (Greg Clark): In six months, the coalition Government have ended the ring-fencing of all but two revenue grants, simplified over 90 separate funding streams for local government to fewer than 10, scrapped comprehensive area assessments and abolished 4,700 central targets on local government. The localism Bill will give many more new powers to local councils, including a general power of competence. This Government are reversing decades of top-down control, which has led to Britain being one of most centralised countries on the planet.

Mr Raynsford: The Minister may be aware that, in responding to his Department's recent paper on proposed changes to social tenancies, Councillor Richard Kemp, leader of the Liberal Democrats in local government, described the proposals as "an irrelevant fantasy" and added:

"No council with any sense of the realities on the ground is going to be interested in this".

Does the Minister—and, perhaps more interestingly, do his coalition partners—agree?

Greg Clark: The consultation my right hon. Friend the Minister for Housing and Local Government has launched has been well received across the sector because it introduces a right, not an obligation, and when we have a homelessness crisis, I think it is right to give registered social landlords more flexibility than they currently have in allocating to homeless tenants.

Tim Farron (Westmorland and Lonsdale) (LD): Like many other local authorities, South Lakeland district council would desperately love the autonomy to be able to scrap the second-home council tax subsidy, which costs the council tax payer in South Lakeland £1.25 million every year. At this time of hardship, difficulty and restraint, is it not time to look again at whether we should give a 10% subsidy to those who can afford it the most?

Greg Clark: We have made a lot of progress already. My hon. Friend is right that localism involves there being greater control of resources locally. A further set of measures will be considered in a review that will start in January, and I will make sure that his proposal is considered in that.

Alison Seabeck (Plymouth, Moor View) (Lab): The Minister for Housing and Local Government was not in the House on Monday to answer questions on the housing consultation paper so, while we are on the subject of devolving powers, may I ask his colleague about this? The Government have repeatedly said that they will not allow social landlords to change the rights of existing tenants, yet question 13 of that consultation leaves the door wide open for them to do exactly that in the future. Can this Minister give the House a personal guarantee that the Government will not now or in the future permit changes to the rights of existing social tenants?

Greg Clark: Yes.

Local Authority Expenditure

5. **Penny Mordaunt** (Portsmouth North) (Con): What requirements local authorities have to report their expenditure to his Department. [26203]

10. **Brandon Lewis** (Great Yarmouth) (Con): What recent steps he has taken to increase transparency and accountability in local government spending. [26208]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): We are replacing bureaucratic accountability to central Government with democratic accountability. People should be able to hold their local council to account over the taxes it spends. More and more local authorities are publishing details of spending items of more than £500 online. Next month, I will consult on a code of recommended practice for local authorities, which will address issues such as scope, formatting and timings for publishing data.

Penny Mordaunt: Although I do not want to add to the administrative burdens of local authorities, it would be useful to have data against which performance, quality and reach of services, and efficiency could be measured. What tools will be made available to this House and the public to do that?

Mr Pickles: It is most important that we continue to press ahead with the agenda and, in particular, with the public right to know how money is being spent. It is no use talking about cuts in public spending and cuts to front-line services when we find that we have excessive pay among chief executives and excessive numbers of middle management, and that local authorities are not offering value for money. So the important thing is that all authorities will put this online. I have to tell my hon. Friend that the Portsmouth, Great Yarmouth and Norfolk authorities have not put these amounts online. I hope that she and my hon. Friend the Member for Great Yarmouth (Brandon Lewis) will urge them to do so.

Brandon Lewis: I thank my right hon. Friend for that. I know that Great Yarmouth's authority is set to go live with this online in January. Does he agree that having the new transparency in place will mean that voluntary

sector organisations and small businesses across the country will have a much more even playing field when bidding for contracts?

Mr Pickles: Yes, and we will be taking this a step further: not only will voluntary organisations be able to compare the costs and the spending, and the public will be able to judge those, but in the new localism Bill we will give voluntary organisations the right to bid for services and to run them directly if they can produce them better and more cheaply than local authorities.

David Wright (Telford) (Lab): What plans does the Secretary of State have to encourage local authorities to publish the expenditure that they are undertaking on big society projects? If he has plans to scope out that expenditure, could that report contain a particular section on funding for citizens advice bureaux? The representations that I am receiving suggest that they are going to get a hammering as a result of his funding settlement.

Mr Pickles: They should not get a hammering, as that would be foolish of local authorities. That applies whether the authority is Labour, Liberal Democrat, Conservative or hung; it applies to councils of whatever colour. If local authorities seek to deal with this country's financial crisis by simply paring back on grants, salami slicing and taking X% out of all departments, they will fail. They have to restructure, they have to change and they have to share services. If they do not do that, they will rue the day when they cut back on Citizens Advice and similar voluntary organisations.

Ms Karen Buck (Westminster North) (Lab): On the issue of reporting expenditure to central Government, and pursuant to the Secretary of State's previous answer about protecting the front line, has Westminster council informed him of its intention to close a disability centre that provides luncheon facilities and a hydrotherapy pool to many severely disabled people, many of whom are also losing their levels of care services, as they, too, are being retrenched?

Mr Pickles: I will look into that issue and write to the hon. Lady. I have to say that Westminster council has a fantastic record in dealing with vulnerable people, but I will look into the specific case.

Localism Bill

7. **Julian Sturdy** (York Outer) (Con): When he plans to publish the localism Bill. [26205]

12. **Nadhim Zahawi** (Stratford-on-Avon) (Con): When he plans to publish the localism Bill. [26210]

14. **Julian Smith** (Skipton and Ripon) (Con): When he plans to publish the localism Bill. [26212]

17. **Zac Goldsmith** (Richmond Park) (Con): When he plans to publish the localism Bill. [26216]

The Minister of State, Department for Communities and Local Government (Greg Clark): The localism Bill contains a wide range of measures to shift power from central Government into the hands of individuals, communities and councils. The Bill frees local government from central and regional control and strengthens local democracy. In addition, it gives greater power over planning, housing and other services and allows councils and councillors to be better held to account. The Bill will be published imminently.

Julian Sturdy: I thank the Minister for his response. May I ask him to go into a little more detail on how the localism Bill, through empowering local people, will help protect the green belt in my constituency of York Outer?

Greg Clark: Of course. One of the real opportunities in the localism Bill is to remove the threat to the green belt that comes from the regional spatial strategies. The concern up and down the country that green belts could be deleted through those strategies will be buried once and for good by the localism Bill.

Nadhim Zahawi: I was pleased to hear the Secretary of State confirm that material consideration should be given by councils to circular 01/06 on Gypsies and Travellers, although some, including mine, have not been doing so. May I ask the Minister to outline what benefits that will present to neighbourhoods and to villages such as Welford-in-Avon in my constituency?

Greg Clark: The Leader of the Opposition has said that the previous Government looked down their noses at local government. Nowhere was that more true than in the case of parish councils. The charge of parochialism needs to be turned round and we need to regard an interest in locality through parishes as a positive measure. The localism Bill will allow parishes, as neighbourhoods, to set their own plans, to have them adopted and to give effect to them in the planning system.

Julian Smith: May I ask my right hon. Friend to go a bit further on the role of parish councils? Skipton and Ripon is packed with hundreds of excellent parish councils and they are asking me what specific role they have in relation to district councils. Will he go into a bit more detail on that?

Greg Clark: The planning provisions in the localism Bill will allow every neighbourhood in the country, including parishes, to set its own local neighbourhood plan. That will mean that they can design the look and feel of their neighbourhoods going forward into the future and in so doing take away the bureaucracy that is involved in taking planning applications through the development control process. If we capture it in the plan, we will not have that bureaucracy and uncertainty.

Zac Goldsmith: I welcome the Government's commitment to include local referendums in the localism Bill. Does my right hon. Friend agree that if the results of those referendums are not binding, their status will be only marginally higher than that of an ordinary petition, although they will be a lot more expensive? Will he bring in proper referendums that are legally binding?

Greg Clark: I know that my hon. Friend is a great champion of referendums, as he has organised one in his own constituency. The localism Bill contains binding referendums on subjects such as whether to introduce mayors, the neighbourhood plans that I mentioned earlier

and excessive increases in council tax. It also contains provisions for advisory referendums that will test public opinion and can influence policies. Sometimes it is appropriate to nudge councils to do the right thing. This will be perhaps more of a shove than a nudge, and I think it will be difficult to ignore.

Mr Ben Bradshaw (Exeter) (Lab): How can the Minister keep a straight face when he talks about localism and local democracy when later today his Government will ram through legislation to take away that local democracy from Exeter and Norwich with our recently restored unitary status?

Greg Clark: I am advised that the right hon. Gentleman did not even table an amendment to the Bill, such is his commitment. I shall stand corrected if I am wrong. During the previous Government's time in office, this country became one of the most centralised countries. We want to revive local democracy by transferring power from central Government to local government and down to communities. We will take no lectures from the Opposition, who have driven that centralisation.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What discussions has the Minister had with the Welsh Government on devolving extra powers to the National Assembly under the localism Bill?

Greg Clark: We have had discussions with the Welsh Assembly Government. Clearly, if we want to devolve powers to the lowest possible level, those discussions will vary according to the different provisions in the Bill. It is quite a detailed matter and the hon. Gentleman will see the outcome of the discussions when the Bill is published.

Clive Efford (Eltham) (Lab): Will the Minister say what proportion of local expenditure should be raised locally, thereby bringing direct accountability to local communities on delivering localism?

Greg Clark: I do not think it is terribly localist to prescribe what that percentage should be, but it is right that as we take a more localist direction, we want a greater connection between the behaviour of local councils and the revenue being raised. That is the direction in which we are going, but it would be wrong to prescribe a percentage.

Caroline Flint (Don Valley) (Lab): Two weeks ago the High Court ruled that the Secretary of State acted unlawfully when he scrapped regional housing plans, comparing him with Henry VIII. His Majesty's reply was that it did not matter because the Government were going to abolish them in the localism Bill anyway, but that could take nine months to become law and the confusion that the Government have created has undermined the construction industry and led local councils to ditch 1,300 new homes every day. Will the Minister confirm that, in the mean time, local councils should get on with supporting the construction of the homes that the country so badly needs?

Greg Clark: The right hon. Lady makes a mistake that afflicted the Government of whom she was a member—the fatal flaw of confusing plans with homes. In many cases there was an inverse relationship: the higher the target, the lower the number of homes actually built. That is why we want to reform the planning system. The Government's intention has been absolutely clear. There is not a councillor, planner or developer in the country who does not know that the regional strategies are on the way out and will be buried and interred for ever.

Local Authority Funding

8. **Dr John Pugh** (Southport) (LD): What his policy is on the distribution of reductions to local authority funding over the comprehensive spending review period; and if he will make a statement. [26206]

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): We will announce our proposals for the local government finance settlement in the usual manner in due course.

Dr Pugh: It would be rational to accept that the size of the front-loaded cuts coupled with the council tax freeze in the first year will create a huge problem for even prudent local authorities, necessarily giving them less time, less flexibility and less chance of saving front-line services. Does he agree?

Andrew Stunell: No I do not. I draw my hon. Friend's attention to the fact that we have proceeded at a rapid rate with de-ring-fencing and breaking down the silos between different funds coming to local councils, reducing the number from more than 90 to around 10. We are also putting large sums of money at the disposal of local authorities. I also want to draw his attention to the option that local authorities have of raising their council tax income by up to 2.5% and receiving a compensatory grant so that their residents do not have to bear that cost, thereby protecting residents and giving councils the opportunity to generate more revenue.

Chris Williamson (Derby North) (Lab): The Treasury's green book confirms that funding for local councils will be cut by 28% over the next four years, but the spending review framework document says that the Government will limit the impact of the reduction in spending on regions that are heavily dependent on the public sector. As we are all supposed to be in it together and in order to ensure fairness will the Minister confirm that the cuts faced by local councils will be based on their total budget requirement and not on their formula grant? As he knows, the formula grant accounts for up to 80% of the budget requirements of some councils and less than 20% of others.

Andrew Stunell: The hon. Gentleman is quite right that the picture is very complex. That is why when the settlement comes, he will see that the Government have responded to the points he has raised.

Squatters

9. **Michael Ellis** (Northampton North) (Con): What steps he is taking to reduce the number of squatters. [26207]

The Minister for Housing and Local Government (Grant Shapps): On 8 November I published an online guide for home owners affected by squatters, setting out the rights and action they can take. We are also taking steps to help get empty homes back into productive use and will be helping to reduce the scope for squatting by doing this.

Michael Ellis: I thank the Minister for that answer, but we have some long-established squatters in Parliament square. What are we going to do about them?

Grant Shapps: As the Prime Minister said yesterday, the Government share the concerns about the current state of Parliament square. I can inform the House that we intend to introduce legislation shortly.

Homelessness

11. **Andrew Selous** (South West Bedfordshire) (Con): What recent steps he has taken to reduce homelessness. [26209]

The Minister for Housing and Local Government (Grant Shapps): The Government are committed to tackling and preventing homelessness. We have established a cross-departmental working group on homelessness, taking in eight Departments, and the homelessness grant has been fully protected at £400 million.

Andrew Selous: Does my right hon. Friend believe that the Government could learn lessons from the recent successful scheme by the charity Broadway, which got a number of long-term homeless people off the streets and into their own accommodation at an average cost of £794, compared with the many thousands of pounds spent on them while they are on the streets?

Grant Shapps: My hon. Friend is absolutely right. The Broadway scheme is excellent and innovative. It has taken funding and allowed the people who are involved with homelessness provision and the service users to decide how best to use it. I congratulate Broadway, which has managed to get a lot more done for £794, rather than the average of £3,000. It is an excellent scheme from which others can learn.

Mr Clive Betts (Sheffield South East) (Lab): Will the Minister confirm whether now or in the future he plans to reduce homelessness by changing either its definition or the categories of people who are entitled to assistance and re-housing because they are homeless?

Grant Shapps: We have no plans whatever to change the categories of reasonable preference—those categories that councils have to take into account in order to state whether somebody is homeless and, therefore, provide statutory help. We have already changed the terms—the measurement—of homelessness as defined by rough sleeping, which, under the hon. Gentleman's Government, meant that there were only 440 people sleeping rough on the country's streets. We discovered very quickly, once we had counted such people properly, that there are actually 1,294.

New Homes Bonus Scheme (Milton Keynes)

13. **Iain Stewart** (Milton Keynes South) (Con): If he will estimate the proportion of the funding for the new homes bonus scheme which will be spent in Milton Keynes. [26211]

The Minister for Housing and Local Government (Grant Shapps): The new homes bonus will match-fund the same amount of council tax for every single home built for an additional six years, and we have published a very helpful calculator on the Department's website, where people can go today to find out how much they will get for the additional homes built.

Iain Stewart: I warmly welcome the new homes bonus, which will go a long way to providing the infrastructure that new housing estates need, but will local authorities have the discretion to use that bonus for capital and revenue items?

Grant Shapps: The new homes bonus is available for local authorities to spend as they see fit. Under the localism Bill and the flexibility that we now provide, it is absolutely possible for local authorities to use that money potentially even to borrow against, because the income stream is guaranteed for six years. It is a simple, very straightforward approach to making sure that people get more money to their area. To give Members an indication of the calculator, I should say that for every 100 homes that are built in any given area £1 million is likely to go to it over the six-year period.

Fiona Mactaggart (Slough) (Lab) *rose—*

Mr Speaker: Specifically on Milton Keynes, the hon. Member for Slough (Fiona Mactaggart)?

Fiona Mactaggart: Milton Keynes and Slough are both in the same region, and they both face similar issues, because the homes in their areas are more likely to be in a lower council tax band than the homes in neighbouring areas. Is it fair that those neighbouring areas, which build bigger, richer houses, will get more money than places such as Milton Keynes and Slough, which have more band D places?

Grant Shapps: We can usefully draw out a couple of points from the consultation that is before the House. First, we have set the banding equally throughout the country, so a band D home represents the average band D home throughout the country. Secondly, bigger homes obviously take up more space, so people will get less money because they cannot build as many. Thirdly, the hon. Lady will be interested to know that we have over-compensated for affordable house building, ensuring that every single affordable home that is built will get more than £350 in additional money. That represents a figure of more than 125% for every affordable home built. We should get more built—

Mr Speaker: Order. I am very grateful to the Minister.

Community Ownership (Assets and Facilities)

15. **Esther McVey** (Wirral West) (Con): If he will take steps to encourage community ownership of local assets and facilities. [26213]

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): The Government will make it easier for communities to take on community assets through the community right-to-buy provisions in the localism Bill. Practical help is already available from the Government-funded asset transfer unit and from the Communitybuilders programme, and the big society bank will step in to help social enterprises and voluntary sector organisations early next year.

Esther McVey: Does the Minister agree that the Government need to do more to empower communities to improve their local areas and take over amenities, such as community centres and allotments? What steps will the Government take to ensure that those initiatives are taken up in the forthcoming localism Bill?

Andrew Stunell: First of all, I commend Wirral borough council for setting up its own fund for the transfer of community assets and for making the launch of those much more feasible. I hope that other local authorities will look at that example.

The community right to buy will be a powerful option for neighbourhoods and community groups that want to take on assets, and that will be backed by money. The asset transfer unit and Communitybuilders, a project lasting through to 2014, will be there to provide support. I also want to make quite sure that the House understands that the big society bank will be there to assist as well.

Empty Homes

16. **Amber Rudd** (Hastings and Rye) (Con): What steps his Department is taking to return empty homes to productive use. [26214]

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): My hon. Friend's question is well timed, as it is empty homes week. I am sure that there will be concern right across the House at the fact that there are currently 738,000 empty homes in this country and that more than 300,000 of those have been vacant for six months or more. They are a blight on the community and a waste of housing that we cannot afford.

The coalition agreement says clearly that we are planning to tackle the issue, and we have made the first steps. We intend to provide £100 million over the spending review period to bring empty homes back into use—that is a tripling of the money contributed by Labour in the last comprehensive review period. We are consulting on how the new homes bonus can also be used to bring more homes back into use.

Amber Rudd: In Hastings, more than 2,300 families are on the housing waiting list and there are more than 800 empty homes. Has the Minister considered whether there is any additional incentive that we can give to councils to try to bring the more difficult properties, which have been empty for more than two years, back to productive use, as against the slightly easier properties, which have been empty for six months?

Andrew Stunell: Every effort needs to be made by local councils. They have some statutory tools at their disposal—statutory improvement notices, enforced sales and the empty dwelling management orders. However, I hope that the fact that we are tripling the investment for bringing empty homes across the country back into use will give my hon. Friend some assurance that we are serious about the issue and will work with local authorities to deliver a much improved record.

Graham Jones (Hyndburn) (Lab): I am glad that you have mentioned that there are 738,000 empty properties, many of them long-term empty. Can you give some quantitative indication of—

Mr Speaker: Order. I can give no quantitative indication at all, but the Minister might be able to. Carry on.

Graham Jones: Sorry, Mr Speaker. Can the Minister give a quantitative indication of the extent to which he hopes to reduce the figure over the period—100,000 or 200,000? By how much will he reduce it?

Andrew Stunell: Some £100 million is intended to assist in bringing back 3,000 empty homes into use, and that is direct financial support. I draw the House's attention again to the impact that the new homes bonus can make in increasing that, and there are of course the statutory levers that local authorities should use to make sure that the blight of empty homes is reduced.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): I welcome my hon. Friend's remarks about the new homes bonus. However, will he go a little further and confirm that that bonus will be payable to local councils that bring empty properties back into use, so that councils such as Basildon and Thurrock can benefit from the measure?

Andrew Stunell: I draw my hon. Friend's attention to the fact that this is a matter on which we are consulting. We have that intention, and I hope that he will write and encourage us to carry forward that proposal.

Residential Property Tribunals (Park Homes)

18. **Annette Brooke** (Mid Dorset and North Poole) (LD): By what date he expects the residential property tribunals system for park home owners to be in full operation. [26217]

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): First, I congratulate my hon. Friend on her staunch work on behalf of mobile home owners. Subject to parliamentary approval, we expect residential property tribunals to begin hearing cases under the Mobile Homes Act 1983 in spring next year.

Annette Brooke: I very much welcome the Minister's response. However, I am sure that he is very much aware that it will not address some of the appalling practices to which some park home owners are subjected. What further action will he set in motion?

Andrew Stunell: As my hon. Friend knows, I attended the lobby that she organised, and I have absolutely no doubt about the serious problem that residents face with a small minority of rogue landlords. We need to

see how the Tribunals Service can deal with these complaints and matters. Certainly, we shall be looking very hard to see what progress we can make. The Minister for Housing and Local Government is looking at a range of measures that will help to combat the mismanagement and abuse that some residents face, and he will shortly make an announcement on his plans.

First-time Buyers

19. **Mr Geoffrey Robinson** (Coventry North West) (Lab): What estimate he has made of the change in number of first-time buyers in the housing market in the last 12 months. [26218]

The Minister for Housing and Local Government (Grant Shapps): According to data from the Council of Mortgage Lenders, the number of first-time buyers has fallen slightly over the past 12 months, by around 5% in total.

Mr Robinson: Is the Minister aware that those figures are among the worst ever for first-time buyers? Is he further aware that the calculations put out by the British Bankers Association on Tuesday of this week show that the level of new mortgage approvals is at its lowest for 19 months, and that the level for gross mortgage lending is the lowest for 10 years? This is a disastrous situation for hundreds of thousands of young couples who want to get into the housing market. What is the Minister going to do about it?

Grant Shapps: The hon. Gentleman is absolutely right in that analysis; I completely concur with it. It is a disaster for first-time buyers. One of the first things I did as Housing Minister was to reverse the policy of the previous Minister to say that I believe in the aspiration of people owning their homes. The reason we ended up with this problem in the first place is related to the enormous deficit and boom and bust, which was led by housing in particular. We need a more stable economy in place—not like the one that we were headed for or like the Irish one, but one that is stable for the long term. That means that cutting the deficit is the No. 1 move. I am also very aware that there are effectively only five lenders on the high street, which means that there is very little competition for first-time buyers. The banking review will report next June. It is very important that competition is opened up and we reverse the situation for first-time buyers.

Topical Questions

T1. [26224] **Mr David Blunkett** (Sheffield, Brightside and Hillsborough) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Communities and Local Government (Mr Eric Pickles): This week my Government will be co-operating with interfaith week, celebrating how faith communities are adding to the well-being of our society. We have published details of our plans to build 150,000 more affordable houses over the next four years. We have welcomed the decision of the Local Government Association's chief executive to take a cut of £200,000 a year, and we hope that more town hall chiefs will follow his example in these austere times.

At the 2010 British curry awards, the Government paid tribute to the spice industry's £4 billion turnaround—a real bhuna for the British economy. From bin collections to small business tax relief, we will do our utmost to ensure that Britain's curry industry is second to naan.

Mr Blunkett: Sorry, Mr Speaker, I can hardly follow that.

The proposal to refund 2.5% of income to councils freezing their council tax next year, which was touched on by my hon. Friend the Member for Derby North (Chris Williamson) and the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell), will have the perverse outcome, will it not, of top-slicing the money from all councils and then rewarding the wealthiest, high rateable value authorities such as Surrey twice as much as the poorer low rateable value authorities such as Hull, Newcastle or Sheffield? Given that those three councils are Liberal Democrat-controlled, will the Secretary of State tell me which conjuring trick he managed to do in persuading the Deputy Prime Minister and his colleagues that this was fair or even acceptable?

Mr Pickles: I am sorry to tell the right hon. Gentleman that he is wrong about the top-slicing. It is in fact new money, and we will not be top-slicing the authorities. I face a great dilemma. As the money that each local authority has varies, the grant differs considerably; he alluded to that. The particular problem I face is the decision taken by the Labour Chancellor to remove £300 million from the working neighbourhoods fund, which will hit Sheffield particularly hard. At the moment, I am trying to ensure that Sheffield and all those authorities are cushioned against Labour cuts.

T3. [26226] **Miss Anne McIntosh** (Thirsk and Malton) (Con): Mindful of the recent floods in Cornwall and the fact that from April next year, upper-tier and unitary authorities will have responsibility for flood risk management strategies, will the Secretary of State confirm that money for that purpose will be guaranteed in the comprehensive spending review? Will he please apply planning policy guidance note 23 to inappropriate developments on floodplains?

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): Our colleagues in the Department for Environment, Food and Rural Affairs remain committed to funding fully local authorities' new burdens under the Flood and Water Management Act 2010. Up to £36 million a year in total will be provided directly to lead local flood authorities for all those new burdens, and in addition local authorities will spend money supported by formula grant from our Department. I will certainly consult my colleagues on the PPG to which my hon. Friend refers.

Caroline Flint (Don Valley) (Lab): It is not really turning out to be a very good day for the Secretary of State, but you know what, it has not actually been a very good fortnight since he told council leaders on 6 November that talk of front-loaded cuts was "fiction". Now it seems that reality is beginning to dawn on him. According to a report in the *Local Government Chronicle*, he has been attending emergency meetings with the Treasury to plead for more money to mitigate the effect

of those cuts, which could mean some councils losing up to 20% of their funding by April 2011. Whether or not it is true that the Secretary of State has been lobbying the Treasury to come up with more cash, may I urge him to start listening to the concerns of local government and ensure that councils get a fair deal that stops the damage caused by the heaviest cuts falling in the first year?

Mr Pickles: I am sorry to say to the right hon. Lady that I have not necessarily found the *Local Government Chronicle* a very accurate reflection of what is going on in my Department, ripping read though it undoubtedly is. I must also admonish her in the mildest possible terms for using a partial quote. What I said was ridiculous was the idea that councils would face a 20% cut in their total spending ability in the first year.

The right hon. Lady has to recognise that she needs a policy. She knows, I know and the House knows that the Labour party Government were going to impose £5 billion-worth of cuts on local government, which would have been front-loaded.

T4. [26227] **George Eustice** (Camborne and Redruth) (Con): Analysis of the impact of reforming the formula grant on concessionary travel support suggests that most of the options currently being considered have urban-centric criteria and therefore could lead to more money going to urban areas and less to rural areas. What assurance can my hon. Friend the Minister give to places such as Cornwall, which rely on concessionary fare support, that they will not be disadvantaged by the changes?

Robert Neill: I understand very well the concern that my hon. Friend raises and the importance of the issue, particularly for shire districts. He is right that we have consulted on that, and we are considering the results of that consultation. I have to ask him to be patient, because we will announce our proposals for the local government finance settlement in the usual manner in due course.

T2. [26225] **Dr Alan Whitehead** (Southampton, Test) (Lab): What incentive does the Minister think cities such as Southampton will have, under the terms of the new homes bonus, to avoid losing millions of pounds of housing funding by having to build more homes each year than have been built in the city since the aftermath of the second world war, and on land that, because of the urban nature of such cities, does not actually exist?

The Minister for Housing and Local Government (Grant Shapps): The hon. Gentleman raises an interesting point, because people often say that more homes cannot be built in a city, so perhaps the new homes bonus will not operate there. Interestingly, however, when I go to some of the most crowded places, such as Kensington and Chelsea or Westminster, I am told that even those areas have space to build and will benefit greatly from the bonus. I recommend that his local authority looks for some of the space it has and gets building.

T5. [26228] **Nigel Adams** (Selby and Ainsty) (Con): Will the Secretary of State inform the House what guidance there will be following the proposed revocation of planning circular 04/07 to inform local authorities such as mine in Selby about planning permission for travelling show people or others wishing to develop land for use as a permanent site for travelling show people?

Mr Pickles: I have had a meeting with the Showmen's Guild of Great Britain, kindly organised by the hon. Member for Central Ayrshire (Mr Donohoe) and my hon. Friend the Member for Northampton South (Mr Binley). We talked about what would replace those planning guidelines, and we will do our best to meet what the guild is looking for—sensible co-operation with local authorities.

T6. [26229] **Roberta Blackman-Woods** (City of Durham) (Lab): Many small voluntary organisations in my constituency that provide services to the most vulnerable, such as Durham Action on Single Housing, are extremely concerned about their futures following local government cuts. What will the Minister do to ensure that homelessness does not increase in my constituency and elsewhere as a result of the cuts to local government spending?

The Minister of State, Department for Communities and Local Government (Greg Clark): It is very important that every local authority reflects on the contribution that the voluntary sector can make. We are decentralising funds from central Government to local government, and I expect local government not to draw up the drawbridge, but to treat voluntary organisations fairly and, indeed, to allow them greater access so that they can provide more services than they currently do.

T8. [26231] **Jane Ellison** (Battersea) (Con): The Secretary of State recently visited the Nine Elms development area, which includes Battersea power station in my constituency. We talked about the importance of tax increment financing being available to councils involved in major regeneration projects. Will he press for TIFs to be brought in as soon as possible?

Mr Pickles: I thought the development was very interesting. It will transform the south of the river; indeed, Members of the House will be able to look across to one of the more exciting developments in our capital. I very much recall my visit, which was just before my right hon. Friend the Deputy Prime Minister announced our intention to move forward on TIFs at the Liberal party conference. We will be including this in the localism Bill, which will be introduced in this House very soon.

T7. [26230] **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): On Monday, the Government set out plans to reform social housing, including the scrapping of guaranteed long-term tenancies. These reforms have been described by leading charities as

"a deliberate attack on the poorest in society".

Does the Housing Minister agree with the deputy leader of the Liberal Democrats, who said of the Government's proposal:

"it is not a Liberal Democrat policy, it is not a coalition policy, it was not in the election manifesto of either party, it was not in the coalition agreement…our party would need a lot of persuading that it has merit"?

Grant Shapps: I am grateful to the hon. Lady for raising that, because a lot of misinformation has been put about on these reforms. For one thing, on the flexible tenure—the idea that a tenure from two years could be provided—we are thinking about special cases, such as that of my constituent Matthew Hignett, who was paralysed from the neck down after a motorcycle accident. He cannot apply under any of the current rules for social housing, but thanks to flexible tenure—because we are making the system more flexible—he will now actually get the help and assistance that he requires. Some of the charities have made comments on that, but some, such as the YMCA, have said that they appreciate and welcome flexible tenure, so, no, I do not agree with the hon. Lady's comments.

Mark Lancaster (Milton Keynes North) (Con): My constituents welcome the fact that Milton Keynes council will become the sole planning authority for the city, but they are concerned that some of the assets currently controlled by Milton Keynes Partnership may not be used for community purposes. Will the Minister meet a delegation from the city to discuss some innovative ideas about how those assets could be used?

Mr Pickles: It is always a pleasure to meet my hon. Friend, and I look forward to meeting him and representatives from Milton Keynes in due course.

T9. [26232] **John Mann** (Bassetlaw) (Lab): What support will the Secretary of State give the campaign that I am launching to ensure the retention in Retford of the full-time fire station and service, which has been there ever since the inception of local government?

Robert Neill: It is for individual fire authorities to decide the manning levels and the nature of the duty systems at fire stations, consistent with their obligations under fire services legislation and their integrated risk management programmes. It is not for the Government to interfere, because those authorities are best placed to assess the needs, priorities and risks in their areas.

Mr David Ward (Bradford East) (LD): Will the Minister confirm whether the requirement on local authorities to front-load the budget reductions is in any way connected to the protection of the Olympics budget?

Mr Pickles: No, it is not.

Barry Gardiner (Brent North) (Lab): What steps did the Secretary of State take within the Government to protect communities in London and the south-east that have not been able to take advantage of the national insurance holiday that other areas have enjoyed, precisely because they were more, rather than less, reliant on public sector workers? Surely, that must have stuck in the Secretary of State's craw just as much as it did in mine.

Mr Pickles: There needs to be consistency from Opposition Members. They cry, "What are the Government doing to help the north of England?" but the national insurance holiday is a tangible measure that the previous Government were unable to take. The hon. Gentleman should congratulate this Government. After all, only when we get through the reduction in public expenditure and get our economy back on to an even keel can we look forward to—

Mr Speaker: Order. I thank the Secretary of State.

George Hollingbery (Meon Valley) (Con): Will the Minister give a brief account of progress on the FiReControl contract?

Robert Neill: The Government inherited the FiReControl contract from the previous Government. As I have indicated to the House already, we have concerns about the contractor's persistent delays in delivery. In consequence, on 8 November, we placed the contractor in material breach, which requires a response within 20 working days.

Heidi Alexander (Lewisham East) (Lab): In October, the Secretary of State told the House that it was outrageous for me to suggest that the money announced in the comprehensive spending review for elderly care would be wiped out by overall cuts to local government. Will he tell me what he disagrees with in the London Councils' estimate that overall funding, in relation to the personal social services budget, will decrease by £885 million, or including inflation, £1.8 billion?

Mr Pickles: I think that the London Councils' analysis is overblown, and that it errs a little on the side of hysteria. Let us be clear. What we know is that the local government settlement is £6.5 billion for Supporting People, and, for care for the elderly, for an extra £2.2 billion will come directly from the NHS.

Duncan Hames (Chippenham) (LD): Further to my questions in the House, the Secretary of State has challenged local government to get its house in order on executive pay-offs. Will he therefore commend the approach taken by Bristol city council, which has applied a cap of £700 per week in redundancy payments for each week's pay in the settlement? That has cut redundancy costs by 30%, and it affects only the highest paid 10% of the work force.

Robert Neill: It is absolutely right that Bristol council has used existing flexibilities to reflect the circumstances that apply to it. That is the right approach, and why, as I indicated in relation to a previous question, it would be inappropriate for the Government to restrict the ability of local authorities to respond to their own circumstances in such matters.

Business of the House

11.32 am

Hilary Benn (Leeds Central) (Lab): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 29 November will include:

MONDAY 29 NOVEMBER—A motion relating to banking reform, followed by a general debate on the regulation of independent financial advisers. The subject for both debates was nominated by the Backbench Business Committee.

TUESDAY 30 NOVEMBER—Opposition day (7th allotted day). There will be a debate on school sport funding, followed by a debate on tuition fees—both debates will arise on an Opposition motion—followed by a motion to approve a statutory instrument relating to the draft National Assembly for Wales (Representation of the People) (Amendment) Order 2010.

WEDNESDAY 1 DECEMBER—Conclusion of consideration in Committee of the Fixed-term Parliaments Bill, followed by a general debate on national policy statements.

THURSDAY 2 DECEMBER—Motions relating to the publication of information of complaints against Members, power of the Parliamentary Commissioner for Standards to initiate investigations, and lay membership of the Select Committee on Standards and Privileges, followed by a debate on the Independent Parliamentary Standards Authority. The subject for debate was nominated by the Backbench Business Committee.

FRIDAY 3 DECEMBER—Private Members' Bills.

The provisional business for the week commencing 6 December will include:

MONDAY 6 DECEMBER—Opposition day (8th allotted day). There will be a debate on an Opposition motion, subject to be announced.

TUESDAY 7 DECEMBER—Second Reading of the European Union Bill.

WEDNESDAY 8 DECEMBER—Estimates day (1st allotted day). There will be a debate on police funding for 2011-12 and the Department for International Development's assistance to Zimbabwe. Further details of the second of those debates will be given in the *Official Report*.

[The information is as follows: "DFID's Assistance to Zimbabwe" (8th report from the International Development Committee of Session 2009-10, HC 252); Government response, Cmd 7899.]

At 7 pm the House will be asked to agree all outstanding estimates.

THURSDAY 9 DECEMBER—Proceedings on the Consolidated Fund (Appropriation) (No.2) Bill, followed by consideration of Lords amendments.

The House will also wish to be reminded that my right hon. Friend the Chancellor of the Exchequer will make his statement on the autumn forecast on Monday 29 November 2010. I should also like to inform the House that the business in Westminster Hall for 2 and 9 December will be:

THURSDAY 2 DECEMBER—A debate on fisheries.

THURSDAY 9 DECEMBER—A debate on the future of pubs.

Hilary Benn: I thank the Leader of the House for his answer. Will he confirm that there will be the debate on Europe that traditionally takes place before the December European Council? The Foreign Secretary said in the Queen's Speech debate that it would happen in good time, and this one will be especially important given the problems affecting a number of eurozone countries.

We now know that the vote on lifting the cap on tuition fees will take place before Christmas—in other words, long before the promised White Paper on higher education. As the Government are clearly desperate to get this out of the way, will the Leader of the House assure the House that the necessary orders will be taken and voted on on the Floor of the House, so that every single voter can see every single Liberal Democrat MP who goes through the Aye Lobby and breaks the pledge that they made? It is not so much the new politics, but very old politics—say one thing, do another.

Talking of which, two weeks ago the Deputy Prime Minister said that he should have been more careful about signing the pledge. This morning, we learn that he now "massively regrets" not keeping his word. Can we expect a further statement next week from him that he is now really, really, really sorry about breaking his word, and if so, can we have a debate on crocodile tears and could he lead it?

Last week, the Bill that will reduce by 50 the number of representatives in this House—to cut the cost of politics, we are told—had its Second Reading in the other place. In the very same week, the Government decided to increase by 54 the number of new life peers in the other place. I make that a net gain of four parliamentarians, so can we have a debate on incoherence, and could the Deputy Prime Minister lead that one as well?

Two weeks ago, I raised with the Leader of the House the Education Secretary's arbitrary decision to take away all the funding from school sport partnerships, which, as we know, have been highly successful in getting more children to take up sport, including 1 million more doing competitive sport. Yesterday, extraordinarily, the Prime Minister chose to describe that as "pathetic" and "failing". I will give the Leader of the House some other words that have been used by those involved to describe the decision—"unforgivably cynical", "despicable", "catastrophic" and "heartbreaking". May we have a debate on irrational decision making, so that the Prime Minister can first apologise for rubbishing the efforts of all the people who have made this happen and secondly explain why he has not told his hapless Education Secretary to think again?

Christmas is coming, and some geese are getting very fat indeed. I refer, of course, to the traditional start of the bankers' bonus season. Yesterday, the Prime Minister refused to confirm that he will enact Labour's legislation to provide transparency on salaries and bonuses of more than £1 million a year, and yet in the very same week we were told that the Minister for Housing and Local Government wants local authorities to require new council tenants to disclose how much they get paid. Apparently, that is in case their earnings are too high, in which case they could be evicted from their homes after just two years. Given that the Government now have one rule for bankers and another for just about everyone else, can we have a debate on double standards? And could that be led by the Deputy Prime Minister as well?

[Hilary Benn]

Finally, last week, Lord Young was sacked for saying that we have never had it so good. On the day that the happiness index is officially launched, would the Leader of the House like to take this opportunity to make it clear that the personal happiness that he expressed last week is not at an all-time high? Given that the Prime Minister is ruthless when it comes to people saying the wrong thing, but useless when it comes to Ministers doing the wrong thing, we would hate to lose the Leader of the House simply for being too cheerful.

Sir George Young: I am grateful to the right hon. Gentleman for the range of questions that he asked. On his first question, I would remind him of paragraph 145 of the Wright Committee report, which was accepted by both sides of the House and which we are implementing—something that his party refused to do. Paragraph 145 makes it absolutely clear that the days for the pre-European Council debates are now a matter for the Backbench Business Committee—something that we established, which he and his party failed to do in office. Therefore, the question of that debate falls to the hon. Member for North East Derbyshire (Natascha Engel) and her Committee, not the Government.

On tuition fees, we hope that the motion that will be tabled by the Opposition on Tuesday will clarify whether the shadow Chancellor of the Exchequer or the Leader of the Opposition is in charge of Opposition policy, and whether there will be a commitment to a graduate tax. We wonder whether the shadow Chancellor will wind up that debate, so as to make it absolutely clear that his views are the same as those of the Leader of the Opposition. On the specific question that the shadow Leader of the House posed, the answer is yes: there will be a debate on the Floor of the House and a vote on lifting the cap on tuition fees.

I will take no lectures from the Labour party on the appointment of life peers. We could not conceivably match the record of the Labour party and Tony Blair in appointing people to the upper House, however long we were in office. I gently point out to the right hon. Gentleman that some of those nominated last week for the upper House came from his party. If they want to make a contribution to reducing the size of the upper House, to respond to the right hon. Gentleman's injunction, it is perfectly open to them not to take their seats.

There will be a debate on school sports on Tuesday, as the right hon. Gentleman knows, but in response to the substantive issue I can tell him that the coalition Government are anxious to devolve decisions down to the local level. We have removed ring fences in local government and education, because we think that it is right to let local people decide how best to allocate the funds. That is what has happened to school sports.

On bankers' bonuses, we are doing exactly what Sir David Walker recommended. Labour appointed Sir David Walker to look at bankers' bonuses, and he is absolutely clear that this country should not take unilateral action. We are following the advice of the person whom the previous Government commissioned.

On tenancies, it is important that people do not go around saying that after two years people will be evicted. That is not the policy at all. We are suggesting that some tenancies be initially for two years, and the position reviewed. It is in the interests—*[Interruption.]* It is in the interests of those on the waiting list that there should be more mobility in the social housing stock, in order to make progress in allocating homes to those who desperately need them.

On the happiness index, mine went down this morning when I heard that England had been bowled out for less than 300, but I am sure that they will rebound. However, I would just ask the right hon. Gentleman how happy he is in a shadow Cabinet where his party leader is being undermined by fellow members, and where they are at war with each other on the 50p tax and the graduate tax, as well as on other issues, such as whether there should be one member, one vote for leadership elections. I think that the shadow Leader of the House will find that we on the Government Benches are far happier than he is.

Michael Fallon (Sevenoaks) (Con): May we have an early debate on the proposed cuts to the staffing hours and acquisitions budget of our Library? The Library is one of the few resources available to all Members in their work of scrutinising the Executive. Given that importance, there must be other areas where savings could be made, not least in the top-heavy bureaucracy of this House.

Sir George Young: My hon. Friend will know that the Select Committee on Finance and Services is seeing how reductions of around 17% might be made in the House of Commons budget. I know that the Committee will want to pay serious attention to his view that, if reductions are to be made, they should not be made at the sharp end, and nor should they take away from the ability of Members of Parliament to hold the Government to account. I pay tribute to the work that the Library does in that respect.

Mr David Winnick (Walsall North) (Lab): In view of the launch of the happiness index—mentioned by my right hon. Friend the Member for Leeds Central (Hilary Benn)—on which the Prime Minister is so keen, will we get a statement in the near future on how happy are those who will be the subject of the savage cuts in jobs and services that are coming shortly? As far as yesterday's demonstration is concerned, it was marvellous, and gives a lead to others to follow.

Sir George Young: I do not think I have ever seen the hon. Gentleman look happy. Wherever the index is, it will be dragged down by his appearance in the House. I wonder whether, on reflection, he would describe yesterday's demonstration as "marvellous". Hundreds of thousands of pounds worth of damage was done in Westminster, and the demonstration was ruined by a minority of irresponsible people. I pay tribute to the way in which the police responded.

Mr John Leech (Manchester, Withington) (LD): In the light of the imminent publication of the report of the Select Committee on Transport on the North review, can we have a debate on the future of drink and drug policy?

Sir George Young: I am grateful to my hon. Friend. The Government will introduce a police Bill, which will cover issues relating to alcohol licensing, and that may

provide the opportunity for my hon. Friend to clarify his views on those issues. We take the matter seriously, and we are moving towards publication of a document on drug policy.

Sir Peter Soulsby (Leicester South) (Lab): In response to my question last week, the Leader of the House kindly agreed to arrange for the Secretary of State for Environment, Food and Rural Affairs to publish a list of land owned by the Forestry Commission in each constituency. We now have that list, and it shows that more than 170 constituencies will be affected by the fire sale of our national assets. In view of the widespread concern on both sides of the House, can we have a debate in Government time on the way in which the sale is proceeding and its threat to our natural national assets?

Sir George Young: The House will have an opportunity to debate the Public Bodies (Reform) Bill when it has completed its passage in another place, and that will be the right forum for the hon. Gentleman to make clear his concerns about disposal of national forests.

Mrs Anne Main (St Albans) (Con): In the light of the announcement this week about the proposed cap on immigration, can we have an early debate on the need to provide skilled, ethnic cuisine training, because the curry industry and other ethnic cuisines will be particularly hit by that announcement?

Sir George Young: I am grateful to my hon. Friend. That point may have been made on Tuesday during the exchange following the statement of my right hon. Friend the Home Secretary. The point was well made, and there would be no need to import chefs from Bangladesh and other countries if we were able to provide the necessary skills in this country. My hon. Friend makes a valid point.

Lilian Greenwood (Nottingham South) (Lab): On Monday, the Government announced that a £200 million project to transform the Meadows estate in Nottingham will not go ahead. The estate suffers from serious deprivation, a poor reputation, fear of crime, and high unemployment. Although local people and community groups, such as the Meadows Partnership Trust, are doing wonderful work to tackle those problems, they are hampered by poor housing and poor quality infrastructure. The scheme would have transformed the area, making the Meadows estate a more sustainable community and a place where people would choose to live and work. Can we have a debate on the decision by the Department for Communities and Local Government to scrap the housing private finance initiative, which has so dismayed my constituents?

Sir George Young: We have, of course, just had questions to the Secretary of State for Communities and Local Government. I do not know whether the hon. Lady was able to ask her question then.

The Decentralisation and Localism Bill will devolve more responsibility to local authorities, but I say in response to the hon. Lady and the hon. Member for Walsall North (Mr Winnick) that, because of the legacy that we inherited, it is not possible to go ahead with all the projects that are being urged on us by Opposition Members. I remind Opposition Front Benchers that the shadow Chancellor has insisted on a nine-stage process before they enter any financial commitments.

John Stevenson (Carlisle) (Con): Improvements in sporting facilities wherever possible and certainly in my constituency are always welcome. The coalition agreement states:

"We will use cash in dormant betting accounts to improve local sport facilities and support sports clubs."

Will the Leader of the House agree to have a debate on that matter, which would be very beneficial to my constituency?

Sir George Young: I am grateful to my hon. Friend. He will know that my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport has asked my hon. Friend the Member for Bath (Mr Foster) to do some work on dormant betting accounts, and I understand that he has made some inquiries and before the end of the year will produce a report suggesting how the matter might be taken forward. There may be a possibility of legislation later.

Mr Frank Doran (Aberdeen North) (Lab): I note the response of the Leader of the House to the question from my right hon. Friend the shadow Leader of the House on the Europe debate. We have exactly the same situation with the annual fisheries debate, which always took place during Government time, and provided a key opportunity for those of us with fishing constituencies to hold the Government to account. I have been advised by the Minister with responsibility for fisheries that his Department is no longer allowed to organise such a debate, which seems strange. Will the Leader of the House advise me why the Government have chosen to use the extension of democracy to Back Benchers to reduce Departments' accountability?

Sir George Young: I congratulate the hon. Gentleman on his election to the House of Commons Commission last night. I find this line of attack from Opposition Members astonishing. The Government decided to give up their responsibility for deciding what the House would debate, and we have allocated roughly one day a week to the Backbench Business Committee. Among the issues for which we are no longer responsible are the fisheries debate, the European Council debate and the four days of debate on defence. Those matters now fall to the Backbench Business Committee, and if the hon. Gentleman wants a debate on the European Council or on fisheries he has to go to the Committee's Chair, the hon. Member for North East Derbyshire (Natascha Engel), who is sitting next to him. He will know that her Committee has allocated time for a debate on fisheries in Westminster Hall, which I announced a few moments ago.

Andrew Rosindell (Romford) (Con): May I refer the Leader of the House to early-day motions 1046 and 1047?

[That this House recognises the enormous contribution by members of Her Majesty's Armed Services from each of the UK Crown Dependencies in wars and conflicts over the years, fighting for Queen or King and Country; believes that the sacrifices of all these brave men and

[Andrew Rosindell]

women should be fully acknowledged in a similar way to members of the Commonwealth of Nations, by granting representatives from the Isle of Man, Jersey, Guernsey, Alderney and Sark the right to lay a wreath in their own right at the annual Service of Remembrance at the Cenotaph in Whitehall, each year on Remembrance Sunday; and calls on the Government to ensure that all the appropriate arrangements for this to happen are in place in time for Remembrance Sunday to be held on 13 November 2011.]

[That this House recognises the enormous contribution by members of Her Majesty's Armed Services from each of the British Overseas Territories in wars and conflicts over the years, fighting for Queen, or King and Country; believes that the sacrifices of all these brave men and women should be fully acknowledged in a similar way to members of the Commonwealth of Nations, by granting representatives from Ascension Island, Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Falkland Islands, Gibraltar, Montserrat, Pitcairn Islands, St. Helena, Tristan da Cunha, Turks and Caicos Islands, the Sovereign Base Areas of Akrotiri and Dhekelia, British Antarctic Territory, British Indian Ocean Territory, South Georgia and South Sandwich Islands the right to lay a wreath in their own right at the annual Service of Remembrance at the Cenotaph in Whitehall, each year on Remembrance Sunday; and calls on the Government to ensure that all the appropriate arrangements for this to happen are in place in time for Remembrance Sunday to be held on 13 November 2011.]

They deal with the laying of a wreath on Remembrance Sunday by representatives of the British Crown dependencies and overseas territories. Will the Leader of the House ask the Foreign Secretary and the Lord Chancellor to make a statement to the House on why our British territories are still refused the right to lay a wreath on Remembrance Sunday to remember their war dead, while other Commonwealth countries are allowed to do so?

Sir George Young: My hon. Friend has pursued this issue with diligence. I think I am right in saying that the Foreign Secretary lays the wreath on behalf of the British Crown dependencies, but I will of course raise this important issue with him and others, to see whether we might make some changes in the future.

Mike Gapes (Ilford South) (Lab/Co-op): In previous years, questions about Europe and matters for debate prior to European Councils have always been dealt with in Government time. Instead of hiding behind the wording of the Wright report, will the Leader of the House explain the real reason that the Government are afraid to have a debate prior to the European Council on 19 December? Is it because of internal divisions with his Eurosceptics, or is it because he cannot get an agreement with the Fib Dems?

Sir George Young: Again, I am astonished that the hon. Gentleman should criticise the Government for implementing a measure that empowers Back Benchers. We have given up the monopoly on deciding what the House debates. Paragraph 145 of the Wright report deals with set-piece debates, and one of the subjects mentioned is

"two days for pre-European Council debates".

It makes it absolutely clear that the responsibility for fixing those debates transfers to the Backbench Business Committee. We have honoured our obligations and set up the Backbench Business Committee; it is now for the Committee to decide which debates are held and when. We cannot have a position in which the Government transfer the days to the Committee but remain responsible for fixing all the debates that would be held on those days. Even the hon. Gentleman must be able to see that that would be a very one-sided deal.

Dr Julian Huppert (Cambridge) (LD): Will there be an opportunity for the Home Secretary to make a statement to the House about the use of kettling, particularly with regard to schoolchildren?

Sir George Young: My right hon. Friend the Home Secretary will be answering questions in the normal way. As I have said, I think that the police handled yesterday's demonstration well. It was an enormous improvement on what happened last time. I am not going to criticise from the Dispatch Box the tactics that they used in order to protect public property and prevent more extensive damage from being done, but there will be an opportunity at the next Home Office questions for my hon. Friend to raise that issue.

Mark Tami (Alyn and Deeside) (Lab): I welcome the fact that we are having a vote on tuition fees soon, but does the Leader of the House agree that, prior to that debate, it is vital to have a debate on the difference between a pledge and a promise, to assist Lib Dem Members?

Sir George Young: There will be opportunities in the debate on Tuesday and in the subsequent debate on the Browne report and raising the cap on tuition fees. I remind Labour Members that they had a pledge not to introduce tuition fees—a pledge that they broke.

Mr Peter Bone (Wellingborough) (Con): Yesterday, young violent thugs disrupted a peaceful protest. Those thugs were wearing face coverings so that they could not easily be identified by the police. At the next sitting dealing with private Members' business, my hon. Friend the Member for Kettering (Mr Hollobone) is introducing a private Member's Bill—the Face Coverings (Regulation) Bill—to outlaw such practices. Will the Government make a statement on whether they will be supporting his Bill?

Sir George Young: When that important private Member's Bill is reached, there will of course be a Minister on the Front Bench, and, during the course of the debate, the Minister will make clear the Government's response to the Bill.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): Will the Leader of the House arrange for a statement from the Ministry of Defence on what progress, if any, has been made on compensation payments for the Christmas Island veterans, and, indeed, victims? I say this from a non-partisan point of view, because my own party, when in government, could and should have done more for those people.

Sir George Young: I am grateful to the hon. Gentleman for raising that issue and I will pass on his request to my right hon. Friend the Secretary of State for Defence to see whether we can make some progress.

Mr Tobias Ellwood (Bournemouth East) (Con): Mr Speaker, you are the anecdote to verbal diarrhoea—*[Laughter.]*

Mr Speaker: Order. I think the word for which the hon. Gentleman was vainly searching was probably "antidote".

Mr Ellwood: It is always good to get off to a good start, Mr Speaker. I stand corrected. The rules that you impose during the week are not being adhered to on Fridays in the Chamber. Next Friday, we will debate the Daylight Saving Bill, for which the excellent publication "Time to change the clocks" has been produced—I recommend it to all Members—but my worry is that the Bill will not see the light of day because Members will try to talk it out. Is it not time to change the draconian rules that apply on Fridays to ensure that good ideas are able to be debated by the entire House?

Mr Speaker: Order. I am sure that the hon. Gentleman is not seeking to prove himself an expert in verbal diarrhoea.

Sir George Young: I congratulate my hon. Friend on a good recovery. If I may say so, Mrs Malaprop would have been proud of him. There is a serious issue about Fridays and about the procedure for private Members' Bills, which he has touched on. The Procedure Committee is conducting an inquiry into the parliamentary calendar, which will include the use of Fridays. That will absorb the whole question of how we deal with private Members' Bills, and will provide my hon. Friend with an opportunity to make representations to the Committee to determine whether there is another way of dealing with them, in order to overcome the problem that he, eventually, correctly described.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): There is clearly surprise and unease on both sides of the House about the fisheries debate and the EU Council debate. The matter was raised last week, not only on this side but by Lib Dem Members, and it has been raised again this week. Given that clearly a number of people feel that this decision is wrong, may I ask the Leader of the House what we can do to bring about a change to the recommendations of the Wright report, and to take those matters out of the hands of the Backbench Business Committee?

Sir George Young: I would regard it as a retrograde step if time were taken away from the Backbench Business Committee and given back to the Government. The whole direction of travel is the other way. I have announced the Second Reading of the European Union Bill, which will provide an opportunity to raise European issues. Also, there is going to be a fisheries debate. The hon. Member for North East Derbyshire (Natascha Engel), who chairs the Backbench Business Committee, and I have made it absolutely clear that if Members want a debate on the European Council, they have to make representations to the Committee in order to secure such a debate. As I understand it, no such representations have been made.

Nadhim Zahawi (Stratford-on-Avon) (Con): May we have a debate on unaccounted Government spending, and on how that can happen? Bearing in mind the irrational decision making mentioned by the shadow Leader of the House, can we make the specific subject of the debate the £38 billion committed by the Ministry of Defence over 10 years without accountability?

Sir George Young: My hon. Friend is quite right to say that we inherited a number of obligations from the outgoing Government, and that the resources were not there to honour them. The Ministry of Defence provides a very good example. We had an opportunity to debate that when we discussed the strategic defence review, but I am sure that there will be other opportunities for my hon. Friend and others to remind the House and the country of the irresponsible action of the outgoing Government and the unsustainable expenditure that they left us to sort out.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Leader of the House will be aware of the lead story in the *Western Mail* last week, in which it was disclosed that powers have been transferred on numerous occasions to the Welsh Assembly Government without the corresponding financial resources. Will he ask the Chancellor to make a statement on how these liabilities will be addressed?

Sir George Young: I understand that the Welsh Assembly has had a relatively generous settlement compared with that of other public bodies. Against that background, I am not sure how much substance there is in that suggestion.

Kris Hopkins (Keighley) (Con): The Leader of the House will be aware of the media coverage of the predatory paedophiles who were convicted yesterday of grooming and raping children. It is well documented that this vile and criminal activity has also happened in my constituency. Will the relevant Ministers make a statement outlining what the Government are doing to stamp out this abuse of children?

Sir George Young: I am sure that everyone was appalled by what was revealed yesterday. I saw the interview with Emma on "Newsnight" and I was horrified by what had happened. It is crucial to learn the lessons and make sure that that never happens again. I will certainly pass on my hon. Friend's request to the Secretary of State for Health to see whether some ministerial response might be made to what was revealed yesterday.

Mr Denis MacShane (Rotherham) (Lab): Will the Leader of the House ask the Foreign Secretary to make a statement on British representation at the Oslo Nobel peace prize ceremony award to Liu Xiaobo, the Chinese pro-democracy dissident? The Chinese are bullying countries like mad not to turn up. Could we raise our representation to ministerial level and ask our EU and NATO partners also to send Ministers, because the only language bullies understand is that of someone standing up to them?

Sir George Young: I agree with the right hon. Gentleman. It is important that we do not succumb to pressure from the Chinese and that this country—and, indeed, NATO countries and all countries—should send strong representations to the ceremony so that the Chinese understand that on this issue they are alone.

David Tredinnick (Bosworth) (Con): Does the Leader of the House agree that it would be better if large and volatile demonstrations were routed away from Parliament to end in a rally in a park, where just grievances and speeches could be heard? Does he agree that the Police Act 2005 has to be amended so that the commissioner can refuse a particular route?

Sir George Young: I am grateful to my hon. Friend. My understanding is that section 12 of the Public Order Act 1986 allows the police to place conditions on a march, where they consider that without such conditions the march would result in serious public disorder. These conditions would include the duration, the location and the size of the march. I therefore think that the police may well already have the powers that my hon. Friend wants them to have.

Mr Ben Bradshaw (Exeter) (Lab): May we have a debate on the Government's cruel decision to cut the mobility component of disability living allowance for people living in residential homes, as the Prime Minister seemed totally to misunderstand the question asked about it at Prime Minister's Questions yesterday? We need to discuss the impact of this decision on severely disabled people like my constituent Pam Coughlan.

Sir George Young: My right hon. Friend the Prime Minister did understand the question yesterday. There will be an opportunity to debate this when the Government bring forward the necessary measures in the welfare reform Bill. My right hon. Friend's answer yesterday was that if people are sponsored by the NHS, their mobility component is removed whereas it is not removed if they are sponsored by a local authority. That is an anomaly, which the Government's proposals are designed to address.

Mr Edward Leigh (Gainsborough) (Con): A serious situation has developed this week in Korea. If the situation deteriorates, will the Leader of the House undertake to ensure that we have a statement? China is launching its first aircraft carrier and America is sending an aircraft carrier there. Does that not underline the fact that the procedures of this House and our defence configuration must be prepared for a very unpredictable and dangerous world?

Sir George Young: I entirely agree with my hon. Friend. The Prime Minister has been in touch with President Lee of South Korea, making clear this country's condemnation of the unprovoked North Korean attack and offering condolences for the loss of life that has occurred. My right hon. Friend also agreed that we would work together on the next steps that need to be taken in the United Nations Security Council. We are now indeed in discussions with our Security Council partners on those next steps.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): In Communities and Local Government questions earlier this morning, the Minister of State, the right hon. Member for Tunbridge Wells (Greg Clark), indicated that the localism Bill was likely to be published imminently. I listened carefully to the statement by the Leader of the House, but I heard no reference to the localism Bill in the business announced for the next two weeks. Given that the Government are clearly having increasing difficulty matching their actions to their words, will the Leader of the House tell us the meaning of "imminent" and whether we can expect a debate on this rather important and controversial Bill before Christmas?

Sir George Young: The Bill will be published shortly. Second Reading will follow after a decent interval.

Robert Halfon (Harlow) (Con): Has my right hon. Friend seen my early-day motion 1090?

[That this House notes the Harrington Report, and its criticisms of the French multinational company ATOS, who have a £54 million contract to assess benefit claimants through medical checks; welcomes the Government's agreement with the Harrington Report and its promise to implement the Harrington proposals in full; concludes that ATOS has damaged the public perception of medical assessments, and has also created a serious risk of maladministration of incapacity benefit checks, following the shocking reports on their systems in the national media; further notes frequent complaints in this regard from Harlow constituents and others; and therefore calls on the Government to act swiftly so that medical assessments are more localised, humane and sympathetic.]

Will my right hon. Friend find time for an early debate on the Harrington report and the maladministration of incapacity benefit checks, following the shocking report into the private company ATOS? A number of my Harlow constituents have been maltreated by this company. Does he agree that urgent action is needed?

Sir George Young: We are grateful to Professor Harrington for publishing his report on the work capacity assessment and we accept all his recommendations. He did indeed find that improvements should be made. He has now started the next stage of the next review. We will improve the medical assessment conducted by ATOS by putting in place champions with additional expertise in mental, cognitive and intellectual conditions.

Mr Dave Watts (St Helens North) (Lab): Given this week's independent report indicating that the removal of speed cameras could lead to 800 extra deaths on our roads and the fact that some Tory councils have already removed their cameras, may we have a debate on the effects of the removal of those cameras and whether those individual councillors should be held directly accountable for their actions?

Sir George Young: The hon. Gentleman raises an important issue relating to road safety, and it strikes me that it would be an appropriate subject for a debate either on the Adjournment, in Westminster Hall or through the Backbench Business Committee. I will draw his remarks to the attention of my right hon. Friend the Secretary of State of Transport, who will be here shortly.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on Burma? I am sure the whole House would welcome the release of Aung San Suu Kyi, but the fact remains that 7,000 political prisoners remain

incarcerated. May we have a debate to put pressure on the Burmese Government to be more serious about political dialogue?

Sir George Young: My hon. Friend is right that there are still a substantial number of political prisoners in Burma. I hope that the release of Aung San Suu Kyi will enable her to have a dialogue with the military regime to see whether a way forward can be found that introduces some sensible human rights measures in that regime which are absent at the moment.

Keith Vaz (Leicester East) (Lab): In recent evidence to the Home Affairs Select Committee, the Gun Trade Association, the Countryside Alliance and others expressed concern about the violent content of video games and their effect on some people who buy firearms. At this time of year especially, it is important for parents to have an understanding of the content of some of these games. When can we have a statement or a debate on the Government's response to the Byron inquiry?

Sir George Young: I am grateful to the right hon. Gentleman for the inquiry that his Select Committee is conducting into firearms. We have made a commitment to having a debate when his report is published. That would be a good context in which to explore further the impact on young people of videos and games that involve firearms. We could then establish whether any further legislation was necessary.

Martin Horwood (Cheltenham) (LD): Given the recent revelation by the Secretary of State for Communities and Local Government that the last Labour Government wasted nearly £81 million developing regional spatial strategies, and given the recent attempts by developers to raise these, zombie-like, from the dead, would it be appropriate to have a debate on regional spatial strategies and their current status?

Sir George Young: This takes us back to the localism Bill. We will shortly, imminently and very soon introduce the localism Bill to Parliament. That will sweep away the last of the outgoing Government's controversial regional strategies. It is clear that top-down targets have not worked; we propose to move to a different regime, giving local planning authorities some real incentives to get on with house building in their area.

Valerie Vaz (Walsall South): Alumwell business and enterprise college in my constituency has seen a 14% improvement in GCSE results by getting marked papers, but it has had to pay for them. May we have an urgent debate so that state schools can get the marked scripts free, just as they do with standard assessment tests?

Sir George Young: I congratulate the hon. Lady on the good results in her constituency. I will raise with my right hon. Friend the Secretary of State for Education the question of whether these documents can be made available without charge.

Stephen Mosley (City of Chester) (Con): Over the past three years, failures in the cross-border commissioning protocol between the Department of Health and the Welsh Assembly Government have caused NHS Western Cheshire to lose about £19 million. Despite having been involved in a formal dispute since 2007, they seem to be no nearer to ending it. Will the Leader of the House find time for a debate on the operation of the protocol?

Sir George Young: I am afraid that I shall not be able to find time for a debate. I understand that the shortfall to which my hon. Friend refers is not due to a failure of the protocol. A transfer was made from the Department of Health to the Welsh Assembly under the terms of the protocol, but discussions are now under way to review the protocol before it expires in March 2011. They will include discussion of the funding arrangement, and I will ensure that they are informed by what my hon. Friend has said.

Diana Johnson (Kingston upon Hull North) (Lab): May we have a debate in Government time on whether we really are all in this together, especially those of us who live in the north, in the light of the withdrawal of £160 million for housing from Orchard Park in Hull? Hull is the 11th most deprived area in the country, but its funds are being cut by 25%, unlike those of Reigate and Tunbridge Wells, which are being increased by between 25% and 37%.

Sir George Young: Of course I understand how strongly the hon. Lady feels about her constituency. However, only a few moments ago, when I came into the Chamber, I heard the Government being criticised for focusing help on national insurance relief on the north and not extending it to London and the south-east. Opposition Members must sort out their priorities.

I suggest to the hon. Lady that the £1 billion regional development fund might be a suitable place for her to seek solutions to the problems that she has outlined.

Mark Lancaster (Milton Keynes North) (Con): May we have a debate on broadband? I strongly support the Government's review of broadband and its focus on rural communities, but I fear that cities such as Milton Keynes may miss out. We have specific problems because of our 1970s infrastructure. May I simply ask the Leader of the House to ensure that Milton Keynes is included in the review?

Sir George Young: That question is slightly beyond my pay grade, but my hon. Friend has made a strong case for a debate on rural broadband. I too represent a rural constituency, and I know that it is vital for those who live in rural areas to be able to compete on the same terms as those in towns and cities. I think that the issue is a strong candidate for a debate, but perhaps not in Government time.

Clive Efford (Eltham) (Lab): May I ask the right hon. Gentleman to reconsider his answers to my right hon. Friend the Member for Leeds Central (Hilary Benn), the shadow Leader of the House, and my hon. Friend the Member for Aberdeen North (Mr Doran) on the subject of debates set up by the Backbench Business Committee? The Committee's Standing Orders make no reference to the Committee's having responsibility for those debates. A dangerous precedent is being set, because those on the Opposition Front Bench who are responsible for holding the Government to account cannot do so. The Government have avoided arranging the debates in Government time and Opposition Front

[Clive Efford]

Benchers cannot make representations to the Backbench Business Committee. The Government are thus dodging the issue. May we have those debates in Government time?

Sir George Young: Labour Members must make it absolutely clear at some point whether or not they agree with the Wright Committee's recommendations. They supported them throughout the last Parliament, although towards the end of that Parliament they did not implement them by setting up the Backbench Business Committee.

If the hon. Gentleman reads the Wright Committee's report, he will see that it makes a distinction between Government business and House business, and makes it clear that the debates to which he has referred are House business. It is up to the Backbench Business Committee, which has been allotted 35 days, to find time for those debates—if it wants to hold them—in competition with other bids. We cannot allow a position in which the Government, having allotted 35 days to the Backbench Business Committee, are then held responsible for all the subjects included in the transfer.

Gavin Barwell (Croydon Central) (Con): Yesterday, when responding to questions about the education White Paper, the shadow Secretary of State for Education suggested that many young people could not be expected to obtain five C-grade GCSE passes in academic subjects. May we have a debate on the depressing poverty of ambition that affects Members in many parts of the House and our education establishments?

Sir George Young: My hon. Friend is absolutely right. We must raise the ambitions of our young people. Following yesterday's statement there will be an education Bill, which will give Members an opportunity to examine the issues in more depth.

Kevin Brennan (Cardiff West) (Lab): We need a debate on school sport partnerships. We know from his mother that the Secretary of State for Education hated games when he was at school, and avoided them as much as possible. Before we have that debate, will the Leader of the House persuade the Secretary of State to put on his tracksuit and perhaps a pair of trainers, apply some embrocation, get out into the real world—away from la-la land—with the school sport partnerships, and find out what great work they have been doing?

Sir George Young: My right hon. Friend the Secretary of State made it absolutely clear yesterday that he was in favour of competitive sports and regretted the record of the outgoing Government in failing to promote them. If the hon. Gentleman is here on Tuesday he will have the opportunity to make a longer speech, which will be robustly rejected by whoever replies to the debate.

Brandon Lewis (Great Yarmouth) (Con): We have already heard Members refer to early-day motions this morning. EDMs are hugely important in enabling Members to raise the profile of issues for themselves, constituents and organisations. However, given that the House is seeking to reduce its costs, does my right hon. Friend agree that this is the right time to arrange a debate so that we can examine the cost of publishing EDMs? The contract with The Stationery Office means that it is currently more than three quarters of a million pounds a year.

Sir George Young: As I said in reply to an earlier question, the Finance and Services Committee is considering how economies can be made in the running of the House. As my hon. Friend may know, older EDMs have not been reprinted weekly since the start of the current parliamentary Session, which has saved 2.5 million sheets of paper and up to £300,000 a year in printing costs. I will pass his comments to the House of Commons Commission and the Finance and Services Committee.

Derek Twigg (Halton) (Lab): May we have an urgent debate on the Government's migration policy? In response to questions from my hon. Friends the Members for Liverpool, Wavertree (Luciana Berger), and for Birmingham, Selly Oak (Steve McCabe) and me, the Home Secretary said—I cannot do the French accent—

> "Listen very carefully, I shall say this only once: we aim to reduce net migration from the hundreds of thousands to the tens of thousands by the end of this Parliament."—[*Official Report*, 23 November 2010; Vol. 519, c. 183.]

A few hours later, No. 10 Downing street issued a statement saying that that was an aspiration. If I may use the language of the new Government, is it an aspiration, a target, a milestone or a horizon?

Sir George Young: Before she made those remarks, the Home Secretary said that she would "say this only once", and I think that that was the right thing to do.

Yasmin Qureshi (Bolton South East) (Lab): Will the right hon. Gentleman find Government time for either a statement from the Under-Secretary of State for Justice, the hon. Member for Huntingdon (Mr Djanogly), or the Lord Chancellor, or a debate about the cutting of civil legal aid for social welfare cases? In my constituency, the citizens advice bureau represented or advised 14,000 of the most vulnerable and economically and socially deprived people in the area. The Under-Secretary's response was that people should go and see their Member of Parliament. I am a superwoman, but I do not think that that is the way forward.

Sir George Young: I understand the hon. Lady's concern, but it must be said that the legal aid regime in this country is relatively generous in comparison with those of most other countries. We were not able to exclude it from the difficult decisions that we had to make to control the deficit, but what we have announced requires legislation. There will be a legal aid Bill, which will give the hon. Lady an opportunity to press her concerns.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): The North East illegal money lending team has helped communities in my constituency to beat loan sharks in communities such as Easterside. It has helped to set up credit unions, and to break up gangs selling counterfeit and fenced goods. Will the Leader of the House please press Ministers in the Department for Business, Innovation and Skills to allow a debate on the subject, and will he impress on them the

need for me to have personal meetings with them, along with other Teesside Members, so that we can discuss the agency?

Sir George Young: I commend the group in the hon. Gentleman's constituency for what it has done. I will certainly find out whether my right hon. Friend the Secretary of State for Communities and Local Government can meet him and his colleagues to take the agenda further forward.

Barry Gardiner (Brent North) (Lab): This weekend, the Tamil community in the United Kingdom will commemorate the war dead and martyrs from the recent civil war in Sri Lanka. Next week, President Mahinda Rajapaksa is due to come to this country on a private visit, reportedly to speak at the Oxford union. May we have a debate to discuss the situation in Sri Lanka and war crimes associated with its president?

Sir George Young: The Government do not propose to find time for a debate on the issue, however important it is, but it strikes me that it would be an appropriate candidate for an Adjournment debate at the end of one of our sittings.

Mr Speaker: Last but not least, I call Luciana Berger.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Thank you, Mr Speaker.

My constituent Martine Taylor's husband went missing one year ago. He left behind three young children and tens of thousands of pounds of debt, including two loans worth £34,000 from RBS, a bank which is 80% owned by the taxpayer. RBS has now sold that debt to bailiffs who may force Miss Taylor to sell her home to recover the debt, while RBS refuses to discuss my constituent's case because the debt is not in her name. Please may we have an urgent debate on the debt recovery practices of Government-owned banks?

Sir George Young: I am very sorry to hear of the misfortune of the hon. Lady's constituent. I will raise the current regime for pursuing debts with my right hon. Friend the Secretary of State for Business, Innovation and Skills, and ask him to see whether there is any action the Government can take to help this poor lady and to write to the hon. Lady.

Mr Speaker: We now come to the statement—

Mr Dave Watts (St Helens North) (Lab): On a point of order, Mr Speaker.

Mr Speaker: I have to tell the hon. Gentleman that points of order follow statements. We will hear from him later.

Rail Investment

12.20 pm

The Secretary of State for Transport (Mr Philip Hammond): With permission, Mr Speaker, I should like to make a statement on the Government's plans for investment in rail infrastructure and rolling stock.

These plans build on the announcement by my right hon. Friend the Chancellor of the Exchequer of the outcome of the spending review. As we have consistently said, tackling the deficit is our top priority, and by taking the tough decisions on current spending we are able to secure our future growth by making vital infrastructure investments. Over the next four years, we will provide £14 billion of funding to Network Rail to support capital maintenance and infrastructure investment, and £750 million for high-speed rail. We will also fund the Crossrail project, the tube upgrade programme and light rail projects in Birmingham, Tyneside, Nottingham and Sheffield, and provide additional funding to franchisees for extra rolling stock.

I can also confirm today that we will fund and deliver the Thameslink programme in its entirety, virtually doubling the number of north-south trains running through central London at peak times. This huge investment will link Sussex, Kent and Surrey, through central London, with Hertfordshire, Bedfordshire and Cambridgeshire. But the original programme for the rebuilding of London Bridge station to increase through-running as part of this project was always ambitious, with substantial risks in respect of delivery and operation of existing services during construction. To reduce these risks, we have re-profiled the delivery of the programme to achieve completion in 2018. This will enable Network Rail to make the further efficiencies in the design and delivery of the programme that we require to ensure value for money. Passengers will start to benefit from incremental improvements on the Thameslink routes from the end of 2011. As part of the Thameslink programme, we will procure a new fleet of trains—up to 1,200 new carriages. That is in addition to about 600 new carriages that will be provided for the Crossrail project.

Together with the tube upgrades, these projects represent a step change in rail capacity in London, providing a significant boost to economic growth potential in the capital. New Thameslink and Crossrail rolling stock will enable the redeployment of hundreds of serviceable electric carriages currently used on Thameslink services. These carriages belong to rolling stock leasing companies, but we expect they will be available at competitive leasing prices for re-use elsewhere, thus justifying further electrification of our network.

As a first step, I can announce today that Network Rail will electrify the commuter services on the great western main line from London to Didcot, Oxford and Newbury over the next six years. Electric trains will speed up journeys, improve reliability and reduce the impact on the environment on these busy routes.

The Chancellor also announced on 20 October the electrification of the lines between Liverpool, Manchester, Preston and Blackpool, representing an investment of up to £300 million. I expect work in the north-west to begin next year and to be completed at about the same time as work on the Thames valley commuter lines, in 2016. Some sections will be completed well ahead of

[Mr Philip Hammond]

this, notably Manchester to Newton-le-Willows in late-2013, allowing new electric trains to operate from Manchester to Scotland. As with Thameslink, we will require Network Rail to keep a tight rein on costs. The redeployment of electric rolling stock to these routes will, in turn, free up hundreds of diesel units, which will be available to train operators to lease as they become available in the period after 2015.

This will all be welcome news to passengers. The Public Accounts Committee recently found that many services are unacceptably overcrowded, and I understand the frustrations of rail travellers who have to travel on packed trains. More investment is clearly needed. That is why I argued for additional rail investment in the spending review, and it is also why I have taken the difficult decision to allow regulated fares to rise by 3% above inflation for the three years from 2012, to help us pay for these investments.

In January 2008, the previous Government published a plan to bring 1,300 additional carriages into service by March 2014. That plan was never deliverable. In total, only 206 of the 1,300 carriages had entered service by May this year. My predecessors quoted a grand total of rail carriages, but never referred publicly to the fact that delivery of that total was subject to so many caveats and qualifications as to render it effectively meaningless. According to their published plan, the 1,300 was not fixed and subject to

"value for money, affordability…linkages with other interventions or with other rail projects…infrastructure constraints…supply chain constraints"

and "credibility". The document went on to say that

"the final outcome could well be different".

In other words, it was not so much a plan as a press release.

So let me set the record straight. I can today confirm that an additional 650 carriages will have been delivered to the network between 6 May 2010 and March 2014. That is in addition to the Thameslink and Crossrail carriages I have already mentioned.

But it is not just about rolling stock. Network Rail has already started work on station improvements, with funding confirmed for developments at Reading, Birmingham, London King's Cross and Gatwick airport. Investments on the east coast main line and midland main line and improvements in Yorkshire, on trans-Pennine routes, around Manchester and in south Wales will improve line speed, reliability and capacity of services.

Beyond these investments, there are far-reaching decisions to be made about inter-city services. In February 2009 the intercity express programme, launched by the previous Government, identified the Agility Trains consortium as preferred bidder to build a new fleet of inter-city trains. Then, this February, my predecessor invited Sir Andrew Foster, former head of the Audit Commission, to provide an independent assessment of the programme. Sir Andrew presented his report to me at the end of June, recommending further work on the Agility Trains proposal and a detailed study of the alternatives. I can now tell the House that we have narrowed down the options, from the four Sir Andrew identified to two. I have ruled out the option of requiring passengers to change from electric to diesel trains at a point in their journeys, recognising the value to passengers of preserving through-journeys. I have also ruled out the option of a wholesale refurbishment of the existing diesel InterCity 125 fleet, some of which dates back to the 1970s.

The remaining options are, on the one hand, a revised, lower cost proposal from Agility Trains envisaging a mixed fleet of some all-electric trains and some electric trains equipped with under-floor diesel generators, and on the other hand, a fleet of new all-electric trains which could be coupled to new diesel locomotives where the overhead electric power lines end. Both of these options would allow us to preserve through-journeys between London and parts of the rail network which are not electrified. Both of them would deliver faster journey times too. For example, we expect to see time savings of at least 15 minutes for the journey between Cardiff and London, bringing it below 2 hours. This is a major decision that will affect inter-city rail travel for decades to come, and we must get it right.

To address the outstanding issues on choice of train type and further electrification on the great western main line, additional work will be required within the Department, with Agility Trains, and with the Welsh Assembly Government on the business case for electrification into Wales. When this work, and discussions with the Welsh Assembly Government and my right hon. Friend the Secretary of State for Wales, has concluded, I expect to announce a final decision on the IEP and on further great western electrification in the new year.

The package I have confirmed today has been possible only because this Government have been prepared to take the tough decisions to protect investment in Britain's future. This is a commitment to our railways that will benefit Britain for generations to come, and I commend the statement to the House.

Maria Eagle (Garston and Halewood) (Lab): I thank the right hon. Gentleman for early sight of his much-delayed statement. We first read the details of the statement in the Sunday papers three weeks ago, we read them again two weeks ago and we saw much more detail in the press this morning. I know that he tabled this statement as a written ministerial statement today so that he could get away with spinning it on the "Today" programme, but his whole handling of this announcement is an insult to this House, which should be the first to hear about major Government policy decisions, not the last.

Despite all the spin and the re-announcing of decisions taken by the previous Government, many passengers will be bitterly disappointed by the right hon. Gentleman's announcement today, because it amounts to delaying investment but bringing forward massive fare hikes. The real losers of today's statement are commuters, who already suffer some of the highest fares in Europe and the worst overcrowding. Because of the cuts he has had to make to his budget, their fares will rise by 3% above inflation from next year and they now face waits of up to a decade for the new trains that will ease overcrowding and speed up journeys.

The statement delays the completion of Thameslink by two years to 2018, following the right hon. Gentleman's previous decision to delay the completion of Crossrail by a year. His Department is already missing its targets for extra spaces by 15% at peak time in London and 33% in other major cities. Does he not understand the

frustration there will be at his decision to delay the delivery of the new carriages that are vital to addressing this overcrowding?

On new carriages, the right hon. Gentleman tries to claim that the plans that Labour announced in government for 1,300 carriages were somehow a work of fiction. Perhaps I could remind him that his permanent secretary told the Public Accounts Committee in September that

"it was a commitment of the previous Government to deliver 1,300 carriages, for which they had a £1.2 billion budget."

He made it clear that

"we had plans—clear plans—that we could evidence to the National Audit Office…to have acquired around 950 carriages and spent around £900 million."

He also said that he had plans in place that

"would enable us to get to probably around 1,300 carriages and to develop the full capacity, using the full budget of £1.2 billion."

Will the right hon. Gentleman now accept that he has cut the number of new carriages that we planned to be delivered in this spending review period, and that he must stop spinning? Why are commuters going to face overcrowding, which will not be substantially alleviated for almost 10 years, when the fares hikes that he says are to end overcrowding start this January?

People in Wales will feel most betrayed by the right hon. Gentleman's announcement, following his decision to delay giving the green light to electrification of the great western line beyond Bristol. His manifesto was very clear on this, so let me remind him that it said:

"We support…the electrification of the Great Western line to South Wales."

Perhaps no Welsh MP was in the room during the coalition negotiations, because that commitment was subsequently downgraded to a general statement of support for

"further electrification of the rail network."

Today, we see why: it was because there was clearly never a commitment to Wales.

We are told that the Secretary of State for Wales is threatening to resign if high-speed rail goes through her English constituency. She does not seem to be threatening to resign over the fact that Wales, whose interests she represents in the Cabinet and is supposed to champion, is to remain the only European country other than Albania and Moldova with not a single metre of electrified track. Will the right hon. Gentleman reconsider his decision not to approve the electrification of the great western main line to Swansea, as was planned by the previous Labour Government?

The right hon. Gentleman has also today ducked giving the green light to the intercity express programme. We are used to this Government going back on things they promised to do in their manifesto, but today's statement sees him going back even on what he promised in his Department's comprehensive spending review statement this October. I remind him that he said:

"Because aspects of Thameslink and HLOS rolling stock programmes, as well as projects to electrify the Great Western Mainline, and the rail routes around Manchester and Liverpool, are interdependent with the IEP decision, a full announcement on all these programmes will be made at the same time."

Will he tell the House what has changed? Will he now tell us the real story behind the repeated delays to today's statement and the real reason he has had to push so many of his decisions into next year? Is it true, as some believe, that by changing the specification of the IEP carriages after a preferred bidder was announced he now risks a legal challenge from other bidders?

Finally, does the right hon. Gentleman understand the anger felt by passengers up and down the country at his decision to allow rail fares to rise by such a large amount? His coalition agreement said:

"We are committed to fair pricing for rail travel".

Can he tell hard-pressed commuters up and down the country why he thinks that allowing rail fares to rise by 3% above inflation after next year demonstrates his commitment to fair pricing? How does driving people off the railways and back into their cars help either our economy or the environment? Does he accept, as his Department has admitted, the very big impact on road congestion that is likely to be caused by his decision?

Is not the reality that he has come to the House today only because he said in his departmental plan that he would do so by the end of November 2010 and because his repeated briefings to the media have created an expectation that a statement was imminent? Does he not accept that his departmental plan commits him not to a statement, but to decisions? Has he today not just missed the first of his own targets in the departmental plan, which was supposed to be the Prime Minister's way of keeping Secretaries of State on track to deliver Government promises?

Is not the reality of today's statement that beyond re-announcing a whole series of investment decisions taken by the previous Labour Government and put on hold by him after the election, he has delayed the completion of Crossrail by a year, delayed the completion of Thameslink by two years to 2018, delayed giving the green light to electrification of the great western line beyond Bristol—that is a real betrayal of people in Wales—delayed giving any indication of when electrification of the midland main line will take place and delayed giving the green light to the intercity express programme? His statement pushes the delivery of projects into the next spending review period and ducks decisions on some of the country's most vital transport infrastructure projects. His delayed statement is itself nothing more than one long series of delays.

Mr Hammond: In her second response to me at the Dispatch Box, the hon. Lady adopts a rather churlish tone. She talks about wanting decisions to be made. She will get decisions from this Government, but they will be properly thought through decisions based on value-for-money cases and proper consideration of all the matters that need to be dealt with; they will not be press releases made up on the spur of the moment by a Government who have gone on a regional junket and need something to announce to keep the regional press happy.

The hon. Lady complains that we issued a written ministerial statement this morning, but she ought to be able to understand that the content of this statement, because it touches, in particular, on the procurement of the intercity express programme, is market sensitive, so it was essential that we made a statement this morning before the markets opened.

The hon. Lady talks about fares, and I readily acknowledge that nobody in the commuter fraternity will welcome the increase in the cap on regulated fares that we have proposed for 2012 to 2015. But that is one

[Mr Philip Hammond]

of the tough decisions that we have had to take to protect the programme of investment in our railways. I have to say to her that I see no sign that anybody on the Opposition Front Bench is prepared to take tough decisions or to understand that without the ability and the willingness to do so they will simply have no credibility in the difficult debates on how we prioritise limited public expenditure.

The hon. Lady criticises the delay in delivering the complete Thameslink project—the 24 trains an hour in both directions. I do not apologise to her or to the House for taking a decision that the programme, as originally set out, contained too many risks—there were risks of cost overruns and risks to existing commuter services into London Bridge station. With Network Rail, we have revised the schedule to create a lower-risk alternative that is both less costly and less disruptive to existing commuter services.

The hon. Lady talks about the midland main line—she seems to have discovered it this morning. There was not a word about the electrification of the midland main line during the 13 years for which the Opposition were in government, but today she wants to bring it up as though it were some Labour priority we are abandoning. For the record, the case for electrification of the midland main line remains strong and we will consider it as a project for control period 5, which begins in 2014.

The hon. Lady attacks me for describing the 1,300 rail carriages to which her predecessors apparently committed as a work of fiction. She is new to the job, I understand, and these are difficult numbers—*[Interruption.]* I am quite new to this, too, and I can tell the House that they are difficult numbers. If she drills down and has a look, she will see that the figure of 1,300 was maintained early this year only by the inclusion of 400 of the 1,200 Thameslink carriages in the total—a complete and ongoing fabrication to avoid abandoning a number that was never sustainable. The Opposition could not have delivered them because they are not prepared to support any of the decisions that have allowed capital investment to continue. They do not support the fare increase, they do not support cuts in welfare expenditure and they do not support cuts in public expenditure to allow prioritisation of capital investment.

The hon. Lady has the audacity to raise the issue of Wales, but, as she says, Wales has not one metre of electrified railway—after 13 years of a Labour Government. We will take no lectures from her on electrification in Wales.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. As hon. Members can see, a number of them want to ask a question. We are time-limited, but I shall try to call as many Members as I can. You can assist me by asking just one question and, clearly, we need short answers, too. If Members were not in the Chamber for the full statement, I ask them not stand to ask a question: they must have listened to the entire statement.

Sir Alan Haselhurst (Saffron Walden) (Con): Will my right hon. Friend assure me that he will ensure that the design of the new franchise for Greater Anglia will maximise the incentive to the successful bidder to contribute to investment in track so that passengers on the West Anglia line and the Great Eastern line will get the advantages from such investment as he has outlined in his statement today?

Mr Hammond: I can assure my right hon. Friend that in re-designing the franchise arrangements, as we have committed to do, we will want to consider the opportunities for train operators to contribute to infrastructure improvements and to work more closely with Network Rail. We will also ensure that train operators' financial interests are clearly aligned with passengers' interests so that, under new franchises, when we have an overcrowding problem it will be in the train operator's interest to deal with that problem with its own money rather than, as under the current system, having to come to the Government cap in hand to ask us to solve the problem.

Huw Irranca-Davies (Ogmore) (Lab): I have a direct question for the right hon. Gentleman. Will the outcome of the further long-grass review that he is considering for south Wales, Bristol and the whole line to London deliver rail electrification all the way to Swansea—not to Bristol, but to Swansea? In the run-up to the election in May, all parties stood on a platform of delivering rail electrification all the way to Swansea. The Secretary of State for Wales, the right hon. Member for Chesham and Amersham (Mrs Gillan), has made a principled point on behalf of her constituents, saying that it is a resigning matter if a different link goes through her constituency. Will she apply the same principle if she fails to deliver rail electrification into Wales?

Mr Hammond: I can answer the hon. Gentleman's question to me, but I cannot answer for my right hon. Friend the Secretary of State for Wales; he will have to address his question to her in person. There has to be a business case for electrification. We will work with the Welsh Assembly Government to strengthen and build that business case over the next few weeks and I shall make an announcement to the House as soon as we have made a decision on the IEP procurement that will cover both IEP and further electrification on the great western main line.

Simon Hughes (Bermondsey and Old Southwark) (LD): I welcome the Secretary of State's announcement that what was originally called Thameslink 2000 by the previous Government will at last be delivered by this Government. Will the Secretary of State also direct those responsible to ensure not only that we have the new London Bridge station in my constituency, and all that goes with it, but that the maximum number of commuter lines are continued in south London? That is obviously of interest to people who live in London as well as those who live further afield.

Mr Hammond: I thank my hon. Friend for that question. He is quite right to observe that we must get the balance right between building large new infrastructure projects and maintaining existing services. I have been out this morning to the site of the Blackfriars station development and seen just how incredibly difficult it is to build such a major project on a running railway line with trains passing backwards and forwards. It is very

complex, and allowing a little extra time will ensure that we do not have catastrophic disruption during the programme.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I welcome the news of investment in rail, although I am concerned about the three-year delay in the electrification of the Liverpool-Manchester-Blackpool line as well as the uncertainties on electrification of the great western line. Will the Secretary of State explain the percentage growth in rail that he is planning within these figures so that rail can grow without overcrowding and without the overpricing that drives people off the railways?

Mr Hammond: I do not know where the hon. Lady gets the idea about three years' delay with north-west electrification. As I said, the Manchester to Newton-le-Willows section will be completed in 2013. Work will start next year. The team that is doing the work will then roll on to complete the electrification of the Liverpool-Manchester section and finally the Preston-Blackpool section. It will all be completed by 2016.

Let me explain the time scale. Electrification will allow the electric carriages released by the delivery of the new Thameslink carriages to be deployed. There is no point completing that electrification, except for the section from Manchester to Newton-le-Willows, until those electric carriages are available. The timetabling is perfectly logical and the early completion of Manchester to Newton-le-Willows will allow brand-new electric trains to be operated on the Manchester to Scotland routes.

The hon. Lady asked about capacity. The total announcements on Crossrail, Thameslink and the additional 650 carriages to be delivered before 2015 will amount to a 17% increase in the capacity of the network.

Henry Smith (Crawley) (Con): Commuters in my constituency, particularly those who use Three Bridges and Gatwick stations, will greatly welcome—as do I—the announcement about increased rolling stock through Thameslink. Will my right hon. Friend assure my commuters and constituents that the rolling stock will be of the highest available quality to ensure greater comfort and convenience?

Mr Hammond: The trains deployed on the Thameslink route will be brand-new trains with 1,200 brand-new carriages.

Mr Mike Weir (Angus) (SNP): The Secretary of State's statement is the fourth time that the desperately needed new trains for the east coast line have been delayed. Will he tell us what he means by "in the new year"? What time scale is he talking about? Will he go for the dual-fuel trains?

Mr Hammond: The bi-mode trains are one option that we will consider. Let me explain again the reasons for the complexity and the delay. We have a preferred bidder, selected by the previous Government. That preferred bidder, Agility Trains, has come back to us with a revised proposal that is significantly more attractive than the original proposal. We have been asked by Sir Andrew Foster's review to reappraise the Agility Trains bid and to consider specific alternatives. We are carrying out that work. There are technical complexities and legal complexities, because of the procurement process. Of course, we must build a value-for-money case and compare the two options. I hope that it will be possible to make an announcement in January, and I expect it to be made early in the new year.

Steve Baker (Wycombe) (Con): I welcome the Government's sincere commitment to the economic renewal of the north, but what does my right hon. Friend say to people in Buckinghamshire who challenge both the route and the national interest case for high-speed rail?

Mr Hammond: I say to them that they will have an opportunity to make their case when we go to consultation on a preferred route in the new year.

Chris Bryant (Rhondda) (Lab): Every analysis of the south Wales economy and its competitiveness shows that the single most important thing that could be done to improve the competitiveness not only of Cardiff, Swansea and Newport but all the valleys communities is the electrification of the line all the way to Swansea. Is there not therefore a strong business case, if one really believes in growth in the economy, for making sure that electrification goes ahead as soon as possible?

Mr Hammond: That is precisely what we will be looking at working with the Welsh Assembly Government to achieve—a strong business case. The hon. Gentleman might reflect on what he did in the years that he sat on the Government Front Bench when not a single metre of railway line was electrified in Wales.

Stuart Andrew (Pudsey) (Con): I welcome this announcement and I thank my right hon. Friend for delivering an honest assessment of what is achievable. Will he confirm that improvements to Yorkshire and trans-Pennine routes will include upgrades to carriages and increased numbers to improve the journeys of the hard-pressed commuters who have suffered badly thanks to the neglect of the Labour party?

Mr Hammond: We expect that additional carriages will be delivered to the northern and trans-Pennine franchises, but my hon. Friend will understand that these are commercial matters and that we have to enter negotiations with the franchisees as single-tender actions. We have to negotiate with them on the reimbursements they envisage for operating those additional carriages, so it is not possible to give him a precise number today because that would remove our negotiating power in the franchise discussions.

Kelvin Hopkins (Luton North) (Lab): Thousands of my constituents travel every day by Thameslink, as do I. The Secretary of State has disappointingly delayed this scheme by two years, euphemistically describing the delay as "reprofiling". He has specifically mentioned London Bridge, but what about Blackfriars, which he and I have visited? Will he at least confirm that the Blackfriars interchange with the Circle line will be completed on time and will not be delayed?

Mr Hammond: My understanding is that, yes, the station's new interchange with the Circle line will be completed by the end of next year and that 12-car train-running through Blackfriars will begin at that time. His constituents will see the first tangible benefits from the Thameslink project at that time.

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): I welcome the encouraging implications of the Secretary of State's statement for the maintenance of through-direct links from the north of Scotland to the London metropolis, particularly for the Highland Chieftain—his Department accepted the well-backed petition of *The Inverness Courier* on that. What is his prognosis for overnight services—the sleeping-car rolling stock—between the Scottish cities, plus Fort William, and London? They are long overdue and much needed.

Mr Hammond: It is for train operators to decide which specific services to offer on those routes, but the decision we take on IEP will define the type of rolling stock that is available to operate those services. I would be happy to discuss off-wire services north of Edinburgh with him if that would help.

Julie Hilling (Bolton West) (Lab): When will electrification of the Manchester-Chorley-Preston part of the line, which runs right through my constituency, take place? It seems to be missing each time there is a statement.

Mr Hammond: The hon. Lady tests my geography of the north-west. If she is referring to the cord that passes from Manchester to Newton-le-Willows, rejoining the west coast main line, that will be in 2013. The rest of the electrification programme will be rolled out between 2013 and 2016.

Mr Robert Buckland (South Swindon) (Con): I welcome the Secretary of State's whittling down of the options for the great western railway, but we in Swindon are waiting anxiously on the platform for a final decision on the electrification of the main line. May I urge him to make a decision that will benefit Swindon and the west country—in favour of electrification—and hold him to his promise to make a decision early in the new year?

Mr Hammond: As I have already said, that is my expectation, but, as hon. Members will understand, when complex legal, technical and commercial decisions are to be taken, we have to do the homework before we make the announcement—unlike the previous Government.

Fiona Mactaggart (Slough) (Lab): I recognise that future investment plans depend on economic growth and I represent one of the most productive towns in the country on the most old-fashioned railway line—the great western main line. Will the Secretary of State agree to meet me and a group of companies from Slough that are anxious about the impact of other lines between Slough and Paddington, about the effect of Crossrail on the frequency of trains and about the lack of any connection from the west into Heathrow? Will he meet us to discuss his plans?

Mr Hammond: I should have thought that the hon. Lady welcomed the electrification of great western main line commuter services and the benefits that her constituency will see from Crossrail. I also have a great interest in the Airtrack project as my constituency is just south of Heathrow. I would be delighted to meet her to discuss these issues.

Mark Lancaster (Milton Keynes North) (Con): One benefit of High Speed 2 will be a release of capacity on the commuter section of the west coast main line from Euston to Milton Keynes. Will the Secretary of State confirm that as a result of today's statement, rolling stock formerly used on Thameslink might be released to ease congestion on that line?

Mr Hammond: The release of rolling stock from Thameslink will provoke a cascade through the system so that Thameslink vehicles will be available for use on other lines. In some cases they will displace diesel units that will become available for use on still further lines. At the bottom of the pile, some old rolling stock is likely to be retired. By releasing large numbers of carriages into the pool we expect to change the market dynamics for leasing rolling stock, making it cheaper and therefore more affordable for the taxpayer and passenger alike.

Phil Wilson (Sedgefield) (Lab): The Secretary of State knows that if the Agility train project goes ahead it will create thousands of jobs in north-east England, including hundreds in my constituency where the trains will be built. If that does not happen and the door is slammed on north-east England—if the other option is chosen—will the contract have to go out to retender, thereby causing further delays while the tendering process takes place and delaying the intercity express programme further?

Mr Hammond: As I have said, there are complex legal and commercial issues to consider. The hon. Gentleman will understand as well as anyone the process of negotiating with Agility trains as the preferred bidder and that everything we do has to be within the constraints of the European procurement directive.

Julian Sturdy (York Outer) (Con): I, too, welcome the Secretary of State's announcement. Will he outline in more detail the benefit that will come from the 650 new carriages that he has announced for 2010 to 2014 and how the investment in Network Rail will benefit the east coast main line?

Mr Hammond: Network Rail is making significant investments on the east coast main line, which explains to some extent the less than exceptional service performance on the line in the past few months as that work has been carried out. It will bring benefits in due course in terms of greater line speed and reliability. The 650 additional carriages will be distributed across the network. Some of them have already been contracted with individual franchisees and some of them will be the subject of further negotiations, which we will now commence, but there will be benefits for all parts of the country.

Mr Ben Bradshaw (Exeter) (Lab): There will be bitter disappointment not just in Wales but in the south-west of England about the Secretary of State's decision to shelve the previous Labour Government's plans for the electrification of the great western line. Will he agree to publish in full the criteria that have informed his decision?

Mr Hammond: Yes. In accordance with our transparency agenda, we have made it clear—I made it clear in my previous announcement on roads—that we will in due

course publish the business case analysis that informs decisions about projects that go ahead and projects that do not.

Duncan Hames (Chippenham) (LD): There is a pressing need for additional carriages on the Cardiff to Portsmouth line—indeed, a literally pressing need around Bristol, and on trains serving Bradford-on-Avon. Will it be need and overcrowding, or the commercial positions of franchisees, that drive the allocation of the 650 new carriages?

Mr Hammond: This is not about the commercial position of franchisees; it is about the economic benefits. We are not just looking at costs and revenue. If revenues were able to justify the costs, franchisees would be able to do the work on their own, without Government support. We are looking typically at situations where the revenue from fares does not cover the costs, but the wider economic benefits justify the investment of public money.

Clive Efford (Eltham) (Lab): My constituents are served by Southeastern and face the highest fare increases in the south-east network. They also suffer from pixies on the line—or rather, PIXCs: passengers in excess of capacity—at peak times, and there is a plan to deliver 12-car trains at peak times on that section of the network. Do the Government still intend to deliver those 12-car trains and relieve the congestion on the line?

Mr Hammond: That is part of the Thameslink project—12-car trains running with Southeastern—and it will go ahead.

Mrs Anne Main (St Albans) (Con): I hugely welcome the proposed new fleet, but, given the delays that Bombardier caused for First Capital Connect by the late delivery of trains, what discussions will the Secretary of State have with those who are to build the trains, to ensure that they deliver the rolling stock on time?

Mr Hammond: When we contract for, or enter into arrangements to support the contracting of, rolling stock, we will look to see that there are effective penalty arrangements to make it extremely costly for anybody to fail to deliver on time what they are supposed to deliver.

Mr Geoffrey Robinson (Coventry North West) (Lab): The Secretary of State has made it clear that he has drilled down hard on the numbers and taken an objective and exigent view of the returns that he expects from the investment. Can we expect a similar approach to HS 2? In the consultation, about which he was very open on the "Today" programme this morning, but has been less so with the House so far, will it be possible to look at alternative routes, not just geographically but in order to run HS 2 down existing lines?

Mr Hammond: I am delighted to hear from the hon. Gentleman. Not many people who have addressed me on HS 2 have asked me to alter the line so that it runs through their constituency, as I think he has. I am grateful for his enthusiastic support for the project. The HS 2 consultation will include the detail of the route from London to Birmingham, the wider strategic principles of the high-speed rail network and the selected route corridors, so his constituents, his local authority, and indeed he himself, will have an opportunity to make that point.

Iain Stewart (Milton Keynes South) (Con): My right hon. Friend is correct to assess carefully the different options for the intercity express programme, but when does he expect the first IEP trains to enter service?

Mr Hammond: At this point I cannot give my hon. Friend an answer; it will depend on which option is selected. Of the two remaining options, one is for a novel technology—the Agility Trains proposal for a bi-modal train, which is an innovation—and the other is for a standard high-speed electric train set with a diesel coupling at the end of the wires. Clearly the latter option could be delivered more quickly, but our decision must be based on the best long-term interests of the UK's railway.

Chris Leslie (Nottingham East) (Lab/Co-op): The Secretary of State will acknowledge that, in my constituency certainly, there will be huge disappointment that midland main line electrification did not merit even a mention in his statement. Some of my constituents could be forgiven for thinking that he has something of a grudge against the east midlands, although I am sure—and we all hope—that that is not the case. When will the decisions on control period 5 be taken, so that we might at least have the prospect of that much-needed investment?

Mr Hammond: No, I will not acknowledge that there will be huge disappointment. Only a few months ago people were telling me, and relevant publications were saying, that all this investment would have to be cancelled because of the squeeze on public spending. We should rejoice in the fact that we have managed to focus on and prioritise public capital infrastructure investment that will support economic growth in this country. I am a little disappointed that the hon. Gentleman does not sing the praises of the decision to support and invest in the Nottingham tramway, but I will say one thing for him: I cannot blame him for the actions of the previous Government, because he was not in it.

Mr Rob Wilson (Reading East) (Con): I welcome my right hon. Friend's statement, and thank him for his personal interest in the developments at Reading station. He knows, however, that there is particular overcrowding on the route from Reading to Paddington, so will he spell out the improvements that his announcement will make to commuting from Reading to Paddington?

Mr Hammond: The decision to electrify the line as far as Didcot will mean that services to Reading are more reliable and faster. It will also enable them to be more frequent, and they will have more passenger capacity. Put together, those factors will deliver a step change in the service that my hon. Friend's constituents experience.

Mr Clive Betts (Sheffield South East) (Lab): Will the light rail improvements in Sheffield, which I think I am going to welcome, include not merely the four extra trams but the nationally significant tram-train pilot? The lack of electrification of the midland main line is a

[Mr Clive Betts]

disappointment, but will the track improvements go ahead and include the extra £23 million requested, so that we can significantly reduce travel times to London, to less than two hours for the first train, and reduce times for the second train, too?

Mr Hammond: There are two separate projects in that context, at least as far as the Department is concerned: the additional vehicles for the supertram, about which we have already made an announcement; and a further proposal, for which—the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker) tells me—there is a submission on my desk as we speak. I shall be happy to look at it and let the hon. Gentleman know how we can take it forward.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I welcome the decision to continue running through-trains to Aberdeen and Inverness, and the fact that that uncertainty has now gone. In choosing the rolling stock that takes those journeys, will the Secretary of State ensure that we can maximise the journey improvements north of Edinburgh on the unelectrified part of the line?

Mr Hammond: Judging by the technical information that I have seen so far, I believe that both options would deliver almost exactly the same journey time, so I do not think that our choice of IEP mode will affect the journey time to Aberdeen or Inverness.

Alison McGovern (Wirral South) (Lab): Wirral businesses have worked hard to build our local economy, and they expect me to ask questions of the Secretary of State. He says that he expects work in the north-west to begin in the next year, but given the delays that we have seen, will he return to the House to confirm absolutely that the work he has set out today will in fact go ahead?

Mr Hammond: I can save myself a trip by confirming now that work will begin next year and be completed in 2016—barring some completely unforeseen catastrophe. That is in the programme agreed with Network Rail.

Sarah Newton (Truro and Falmouth) (Con): I welcome today's announcement of an extra 650 carriages for rail franchises outside London, as it could really help the vital London to Penzance service and the maritime line in my constituency. What assurance can the Minister provide that he is working with First Great Western to ensure that people in Cornwall benefit from the investments announced today?

Mr Hammond: First Great Western was first off the blocks today to welcome the statement, and we will continue to work with it. We expect additional carriages for First Great Western to be contracted as part of the 650-carriage programme, and of course, when decisions are made on the IEP and on further electrification of the great western main line, the company will ultimately be a significant beneficiary.

Lilian Greenwood (Nottingham South) (Lab): The Minister knows that I am delighted with the extensions to our tram network, but unfortunately we cannot travel to London on it. Electrification of the midland main line would make it possible to reduce the travel time from Nottingham to London to an hour and a half. The Minister acknowledged that the economic case for electrification is strong—I would say "overwhelming". Can he assure me that the Government have a strategy to achieve "Nottingham in 90", pending the development of High Speed 2?

Mr Hammond: The hon. Lady will have noted that the last Government failed to deal with the issue of the electrification of the midland main line. I thought for a minute that I was going to get a bid for a tramway extension to London; to be honest with the hon. Lady, I prefer the option of midland main line electrification. There is a strong business case for electrifying the midland main line. The Government strongly support electrification, but we have, of course, to work within the envelope of affordability. We will be looking at projects for the next Network Rail investment control period, which begins in 2014. Midland main line electrification will have a strong case for inclusion in that programme.

Gavin Barwell (Croydon Central) (Con): I warmly welcome the decision to proceed with the entire Thameslink programme, including the vital redevelopment of London Bridge—and the news that that will be done in a way that does not disrupt commuter services in south London. There is also the additional rolling stock for Thameslink, which should have a knock-on benefit for Southern passengers. It would be greedy to ask for more in this control period, but may I ask my right hon. Friend to consider improving the west London line in the next control period, so that south London, Gatwick, Surrey and Sussex have access to the High Speed 2 route?

Mr Hammond: I do not think I said that there would not be any disruption to commuter services during the massive reconstruction of London Bridge station; I certainly hope that I did not. I said that the reprofiling we have done will reduce the risk of serious disruption during that period. However, it will be a very major reconstruction project, and some disruption is inevitable. On west London services, of course we will examine proposals over the next couple of years as we prepare for the next Network Rail investment control period. Furthermore, the Mayor of London has an input into rail investment decisions for London commuter services.

Heidi Alexander (Lewisham East) (Lab): I would like to return to the issue raised by my hon. Friend the Member for Eltham (Clive Efford). I think I heard the Secretary of State say that the additional Thameslink carriages would facilitate the lengthening of the overcrowded trains that run through our constituencies to 12 cars. Will he just confirm that?

Mr Hammond: I thought that the hon. Member for Eltham (Clive Efford) was referring to Thameslink services that will run out to the south-east. If I have misunderstood that, I shall look carefully at the question that he asked, and will write to both him and the hon. Lady.

Mr John Leech (Manchester, Withington) (LD): I too welcome the news on new carriages, particularly given the broken promises of the previous Government. The

Secretary of State has recognised the need for additional carriages on the Northern Rail franchise, but I remind him of the need to deliver those sooner rather than later.

Mr Hammond: The hon. Gentleman is right to refer to the broken promises of the previous Government. He will know that they promised 182 new carriages on the Northern Rail franchise, ordered 18, and delivered none. I hope that we will be able to do better than that for him.

Mr Virendra Sharma (Ealing, Southall) (Lab): I welcome the statement because I represent a constituency that needs support from the Government. I also have an interest in the matter as a former railway employee. The First Great Western railways in my constituency are generally very overcrowded. I think the Secretary of State knows the geography of the area, which is not far from his own constituency; if he does not, I will invite him to my constituency so that he can see the overcrowding. Can any extra resources be put in through First Great Western, so that there can be extra carriages to enable people to travel freely and comfortably?

Mr Hammond: I do know the geography of the hon. Gentleman's constituency; I enjoyed going there to campaign against him when he was elected at a by-election. *[Laughter.]*

The good news for the hon. Gentleman is that Crossrail will draw away some of the traffic that is using the services on which his constituents rely, and the electrification of the First Great Western main line commuter services will also provide them with additional capacity, faster services and greater reliability.

Ben Gummer (Ipswich) (Con): From his own experience, the Secretary of State will know that the London-Ipswich-Norwich line could qualify as a heritage line; it has hand-me-downs that are not deemed fit for the west coast main line. To be fair, I must add that that situation has obtained for 150 years. Would it be good for us to be included within the IEP, so that for once we would get new rolling stock—fresh, not second hand?

Mr Hammond: The question of brand-new rolling stock versus cascaded rolling stock depends ultimately on the business case that can be made. It is expected that some brand-new rolling stock will be deployed on the Greater Anglia franchise. I cannot tell my hon. Friend that that will necessarily be used on the London-Ipswich-Norwich line, but it is expected that there will be some new rolling stock in that franchise.

John McDonnell (Hayes and Harlington) (Lab): I associate myself with the statements made by my hon. Friend the Member for Ealing, Southall (Mr Sharma). On the High Speed 2 consultation, will the Government be expressing a preference about the Heathrow link based on their acceptance of the Mawhinney report? While the Secretary of State is at the Dispatch Box, will he say when the interim McNulty report will be published?

Mr Hammond: Sir Roy McNulty's interim report will be published shortly. I intend to make a statement to the House in the near future about how we intend to take that process forward, looking at the structure and affordability of the railways. I should make it perfectly clear that the consultation on HS 2 will be around a preferred route. It will be open to other parties to suggest alternative routes, but the Government will put forward one preferred route.

James Wharton (Stockton South) (Con): I welcome my right hon. Friend's commitment to ensuring value for money from the Government's investment in British railways. He is well aware of the importance, or potential importance, to the north-east economy of the Agility Trains bid for intercity express. Will he continue to accept representations from hon. Members from all parties who represent north-east constituencies and would like the investment to come to our region?

Mr Hammond: I shall be very happy to accept such representations. I talk regularly to the hon. Member for Sedgefield (Phil Wilson) about these things. I was in the north-east last week and met some representatives of local authorities there. However, my hon. Friend will understand that the European procurement directive imposes a framework of rules around what we can and cannot do in a procurement such as this.

Roger Williams (Brecon and Radnorshire) (LD): The Secretary of State may be interested to know that journey times between Cardiff and London Paddington actually increased during the 13 years of Labour Governments. I am pleased that my right hon. Friend is working closely with the Welsh Assembly to build a business case for the electrification of the main line. Will he also meet Welsh Members of Parliament and Welsh Assembly Members so that they can help him with his homework before he comes to a conclusion about this important decision for the Welsh economy?

Mr Hammond: I shall be very happy to do so. I assure the hon. Gentleman that whichever of the two options under consideration is chosen, quite independently of the question of electrification, that will deliver a saving on the journey time to Cardiff that will get us back firmly below two hours.

Rehman Chishti (Gillingham and Rainham) (Con): I welcome the Secretary of State's statement. Commuters in my constituency were hit very hard by the previous Government. Fares went up by 10.3%; furthermore, RPI plus 3 for Kent was introduced in 2006, while trains to Victoria and Cannon Street were cut. May I ask for special consideration for commuters in the south-east in terms of both resources and fares?

Mr Hammond: As my hon. Friend knows, the Southeastern franchise fare formula was set on the basis of the need to contribute to and justify the huge investment in Javelin trains providing a super-fast service from Kent to London St Pancras. An objective analysis would say that commuters in the south-east have had a fair crack of the announcement today. Some 1,200 new railcars are to be delivered to the Thameslink service and some of the 650 additional cars to be delivered by 2014 will go to areas of south-east commuterland. There is also the commitment to proceeding with Crossrail. All those things will add massively to rail capacity into and around London.

Jane Ellison (Battersea) (Con): I very much welcome the Secretary of State's statement, and the fact that stations were not overlooked. Clapham Junction in my constituency is one of the two busiest interchanges in the country. To make the railways really work, we need great modern interchanges. Although Clapham Junction never made it in any of the three previous control periods, will he join me in hoping that it will be closely considered by Network Rail for the next control period?

Mr Hammond: Network Rail is considering the section of line from Clapham Junction into Waterloo, and I will discuss its plans with it over the coming months and years. My hon. Friend might like to know that I have been told this morning that when the work at Farringdon is completed, Farringdon will overtake Clapham Junction in terms of train movements.

Gordon Birtwistle (Burnley) (LD): Like many north-west MPs, I travel on the Glasgow to Euston Virgin Pendolino trains, which are heavily overcrowded during the main journey times. I understand that new rolling stock has been delivered for these trains, but Virgin Trains is not allowed to use it until the Government give it permission to do so. Will the Minister give Virgin permission to use those extra carriages, which are in stock, to alleviate the overcrowding on that line?

Mr Hammond: There seems to be a little bit of misunderstanding about this. The new Pendolino carriages have not been delivered. An acceptance test train will be delivered—in 2011, I believe—and acceptance trials will be required for certification of the additional train carriages. Virgin Trains Ltd is contracted to integrate those carriages into the Pendolino train sets, independent of what happens at the termination of the Virgin franchise on the west coast, so that work will go ahead.

Justin Tomlinson (North Swindon) (Con): I echo the calls to electrify the great western line fully, but I would press the Minister at least to secure the new fleet of all-electric trains with dual diesel use, to deliver much-needed faster journeys and greater capacity for my Swindon residents.

Mr Hammond: I have noted my hon. Friend's point, and will take his comments into consideration.

Mr Matthew Offord (Hendon) (Con): I welcome the statement on behalf of my constituents who use Thameslink. However, can the Minister advise me whether he will ensure that the Government's investment is not undermined by the unions? Under the previous Government, First Capital Connect staff worked to rule and Ministers refused to intervene, because many of them were dependent on RMT and other union funding.

Mr Hammond: I must say that I have been disappointed by the reaction of the unions to this morning's announcement. Far from welcoming this huge additional investment in the railway and this statement of confidence in its future, they have picked away at it much as the hon. Member for Garston and Halewood (Maria Eagle) has done. We need to restructure the way in which franchises are let to give the train operators proper incentives to work with all their stakeholders, including the unions, to find long-term solutions to the challenges on the railway. We have to get the cost of the railway down, and make it more reliable, affordable and sustainable for fare payers and taxpayers alike in future.

Nicky Morgan (Loughborough) (Con): I congratulate the Secretary of State and his team on announcing such a significant amount of investment despite the economic legacy left to them by the previous Government. I also welcome his clear comments about midland main line electrification; I appreciate that we shall have to wait for that. His statement did, however, mention the midland main line—a fact that seems to be lost on Opposition Members. Could he enlighten the House about the improvements that will be made to the midland main line in the current period?

Mr Hammond: In Network Rail's current control period, there is a programme of capital improvements to the midland main line that will deliver enhanced line speeds, and thus an improved service.

Mr Marcus Jones (Nuneaton) (Con): I welcome the Secretary of State's statement and the substantial investment in our rail network, but will he explain how much smaller projects such as the important Coventry to Nuneaton rail upgrade will be assessed for future funding?

Mr Hammond: My hon. Friend has on a previous occasion asked me to meet him and Opposition Members representing the area. I have agreed to do so, and I look forward to having a meeting with him in due course.

Jenny Willott (Cardiff Central) (LD): I welcome the news that travel times from London to Cardiff will be reduced by 15 minutes; as has been mentioned, that will take us back to the travel times of about 15 years ago. When making a final decision on electrification of the great western main line all the way through to south Wales, will the Secretary of State take into account the extremely strong view of businesses, politicians and commuters across south Wales that electrification is absolutely critical to the future prosperity of the region?

Mr Hammond: Of course we will take into account the views of the business community, in particular, but we will also look at the evidence. I now want to work with the Welsh Assembly Government on building that evidence.

Andrew Percy (Brigg and Goole) (Con): For 13 years, Yorkshire and northern Lincolnshire received the fluffy end of the lollipop when it came to transport policy. I therefore welcome the announcements on the trans-Pennine express and the east coast main line, which my two Yorkshire colleagues got to mention first. However, we also have in northern Lincolnshire some exciting open access proposals, including a line from Cleethorpes through Scunthorpe and direct to London. Will the Secretary of State work with those open access providers, and have his officials work with them, to help to bring those new services to our region?

Mr Hammond: We are always happy to see additional services being provided, but decisions on open access applications are for the rail regulator, not for the Secretary of State.

Stephen Williams (Bristol West) (LD): I welcome the certainty that electrification out of Paddington will continue as far as Didcot. However, does the Secretary of State agree that it is a reasonable economic assumption that a continuous project of rolling out electrification through to Swindon, Bristol Temple Meads, Bristol Parkway and through the Severn tunnel is likely to provide better value for money than a piecemeal project where engineering teams, recruitment contracts and so on have to be reassembled?

Mr Hammond: The hon. Gentleman makes a fair point. I should make it clear that we will make the decision on the total extent of electrification of the great western main line long before the physical work begins.

Martin Horwood (Cheltenham) (LD): I welcome this statement, which is clearly overwhelmingly good news for rail customers and for the environment. However, may I also press for full electrification to Wales and the west country, and ask for the Department of Energy and Climate Change's new methodology for calculating the future cost of carbon to be fully factored into the Department's necessarily careful evaluation of the business case?

Mr Hammond: My hon. Friend makes a fair point. We have made a commitment to changing the formula that we use to assess transport projects to reflect the latest values of carbon.

Simon Wright (Norwich South) (LD): Is the Secretary of State aware of the research published by the East of England Development Agency about the £3.7 billion of potential economic benefit that greater investment in the great eastern main line would bring? Will he take that into the strongest consideration in his discussions with the franchisee?

Mr Hammond: There is not a franchisee on the east coast main line—[Hon. Members: "The great eastern!"] I am sorry, yes, the great eastern main line. Of course we will take into account all the evidence of economic benefits when we consider the future of this franchise.

Mr Deputy Speaker (Mr Nigel Evans): Last, but certainly not least, I call John Pugh.

Dr John Pugh (Southport) (LD): On a final jarring note, there is an impression that capital investment in rail usually means rail investment in the capital. What can the Minister do to disabuse me of my prejudice, perhaps by publishing per-region figures?

Mr Hammond: I thank my hon. Friend for his question. It is of course true that two huge rail projects are going ahead in the capital—Thameslink and Crossrail. The good news is that because both projects will between them deliver 1,800 new rail carriages, they will release large numbers of perfectly serviceable electric rail cars, which themselves make the case for further electrification of commuter lines in the north-west and on the great western main line. There are benefits for everybody, not merely for London and the south-east, deriving from the Crossrail and Thameslink investments.

Point of Order

1.28 pm

David Tredinnick (Bosworth) (Con): On a point of order, Mr Deputy Speaker. I wonder whether you would be so kind as to convey to Mr Speaker the very real concerns of attendants and office keepers across the estate about possible loss of jobs due to the cost reduction programme. Many of those attendants and office keepers have worked in the House for years, and some of them are approaching retirement. They are concerned that their jobs will go to the Post Office or to outside contractors—and if they go to outside contractors there will probably be no savings at all. Will you ask Mr Speaker to look benignly on these wonderful servants of the House, who have given many, many good years of their lives to the service of the House of Commons?

Mr Deputy Speaker (Mr Nigel Evans): I am grateful for notice of that point of order. I think that everyone in the House appreciates the great work of the people of whom the hon. Gentleman is talking. He is an experienced Member and he will know that only occasionally do the services and facilities of the House give rise to real procedural points of order. As the House knows, Members are being consulted about savings in the running costs of the House. The Commission welcomes comments on individual proposals, which should be made to the Finance and Services Committee, and Members can always raise such issues directly with the head of the relevant House department. However, I am sure that the hon. Gentleman's words will be noticed by all the relevant people.

Local Government Bill [*Lords*]

Bill, not amended in the Public Bill Committee, considered. Third Reading

1.30 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): I beg to move, That the Bill be now read the Third time.

This is a short, two-clause Bill that reverses the proposed creation of unitary authorities in Norwich and Exeter and puts to an end the uncertainty regarding reorganisation in the county of Suffolk. It was first debated and considered in some detail in the other House, then considered rigorously but briskly in this House both on Second Reading and subsequently in Committee. It reflects a coalition agreement and manifesto commitments of the two coalition parties, as well as the Government's desire, which we believe is well supported by the people in the areas concerned, to put an end to needless disruption, uncertainty and cost for local government. The issues have been well aired within their narrow compass, and I will be happy to respond to such issues as are raised in the debate.

1.31 pm

Chris Williamson (Derby North) (Lab): I have some sympathy for the Minister, who is having to try to justify the Government's position on the Bill. Essentially, as he knows, he is trying to defend the indefensible. He knows that unitary councils are far more efficient than the two-tier model that he seeks to retain, and that they save money. He knows that the people in Norwich and Exeter want unitary councils. They want to have some control over their own destiny, and they do not want to be subject to the two-tier system that he seems to think is so wonderful.

The Minister also knows that most of the councillors in Exeter and Norwich support unitary status for those great cities, and that the unitary model is a better governance model for the local authorities there.

Robert Neill: Does it follow, then, that it is the official Opposition's policy that there should be unitary authorities across the country?

Chris Williamson: The Minister knows that we support local determination, and we know from the facts surrounding Exeter and Norwich that local councillors and the local people support unitary status for those cities. It is a fact that it offers a better governance model than the two-tier system.

Simon Wright (Norwich South) (LD): Can the hon. Gentleman explain why it took 13 years for the previous Labour Government to come to that view, by which time, with a general election so close, they knew that there was a fair chance that they would never be able to deliver on it?

Chris Williamson: I do not accept the hon. Gentleman's proposition. If he looks at Labour's record of supporting local government and unitary councils around the country, he will see that we have supported unitary status where local authorities have requested it. Indeed, the previous Conservative Government created dozens and dozens

of unitary authorities. I do not understand why the current Government take a different view from the Conservative Government of the 1990s.

I would also make the point that, for local people, a unitary council is a model that is much more easily understood. Where there is a two-tier system, people are confused about which authority is responsible for which services, and in some areas there is a degree of duplication in service provision. That leads to considerable confusion, which I suspect is one reason people overwhelmingly want unitary councils in Norwich and Exeter.

The Minister is also aware, as members of the Government parties across the piece must be, that cities are a significant engine for economic growth. Freeing up local authorities through the creation of unitary councils enables those councils to innovate much more effectively than they can under the two-tier system. I shall give a few illustrations of what I mean by that from the three cities in my own region, the east midlands.

Let us take the example of Nottingham city council, which was made a unitary authority in the mid-1990s by the previous Conservative Administration. It has developed a wonderful tram line infrastructure in the city, which is the envy certainly of the region and probably of the country as a whole. It has certainly been an economic driver in bringing new inward investment into Nottingham.

Similarly, Leicester is another council that was made a unitary authority in the 1990s by the previous Conservative Administration. It, too, has been extremely successful in securing inward investment, and the Queen recently opened its wonderful new Curve arts centre, a multi-million-pound project that is very well used and much admired by residents in and around the city. It is a wonderful, new, innovative arts facility not only for the people of Leicester but for people in Leicester's hinterland and county area. That is the sort of thing that can be done if an authority is given the power to innovate through unitary status.

My own authority of Derby has also used the ability to bring inward investment into the city as a result of being a unitary council. Two or three years ago, I had the privilege of opening a wonderful new shopping centre that the council was instrumental in bringing about. That would have been considerably more difficult had it continued to be a lower-tier authority. Derby was yet another local council made a unitary authority by the previous Conservative Administration in the 1990s.

Chris Heaton-Harris (Daventry) (Con): I know that the hon. Gentleman is making a case for unitary authorities, but does he not recognise that district councils do an equally good job in the county of Northamptonshire? The Corby district has just opened the new Cube building, a fantastic facility, and in Daventry district, which I represent, there is the iCon centre, which is a centre of excellence for construction. Surely there are points on both sides of the argument. I understand his point about self-determination, and surely that is the point of this exercise.

Chris Williamson: I hear the hon. Gentleman's point, and he points to excellent examples of district authorities innovating, bringing about wonderful new facilities and generating economic activity in their areas. However, Norwich and Exeter are looking to secure freedoms that would enable them to innovate and deliver improvements such as those achieved by the district councils he mentions, but much more easily and effectively. That will be even more important in these straitened economic circumstances.

The Minister made a very short opening speech, perhaps because he is rather embarrassed to be standing here supporting the indefensible. He knows that he has to close ranks with the Secretary of State, who in effect has hung him out to dry.

With swingeing cuts being imposed on local councils, unitary status in Norwich and Exeter would offer some protection for front-line public services. It is an undeniable fact that it would be a far more effective and efficient use of public money to make unitary authorities responsible for all council services in their areas. That would eradicate duplication and free up funding, which could offset some of the swingeing cuts that will be imposed. Over the next four years, as we know from the comprehensive spending review, there will be 28% cuts on average, although some local authorities will see even bigger cuts, and it remains to be seen how Norwich and Exeter will be affected. If we can eliminate some of the duplication in Norwich and Exeter, authorities there would have a fighting chance of at least protecting a few more front-line services, which would otherwise be put to the sword.

Chris Heaton-Harris: Will the hon. Gentleman outline some of the duplication in Norwich or Exeter?

Chris Williamson: It is pretty obvious, where councillors from the county authority represent Norwich and Exeter, and councillors represent the districts in Norwich and Exeter, that that in itself is a duplication. We heard the Conservatives say in the run-up to the election, and we know from their gerrymandering Parliamentary Voting System and Constituencies Bill, that they want to make politics more cost-effective, but if they are genuinely serious about that, they would support the unitary status bid in Norwich and Exeter. That, then, is a duplication of the political process. There is also the duplication of the chief officers and the fact that the backroom activities of Norwich and Exeter duplicate those of Norfolk and Devon to some extent. I could go on—there is a long list of areas where there is duplication. That is surely a given.

Brandon Lewis (Great Yarmouth) (Con): On the hon. Gentleman's comment about Norwich, is it not correct that, even if there was a Norwich unitary, under the previous Government's proposals there would still be a Norfolk county council, so there would be no change in the number of chief executives? The hon. Gentleman's point does not make sense.

Chris Williamson: Yes, there would still be a Norfolk county council and a Devon county council, but the fact remains that there would be far fewer councillors than there are now. There would certainly be the reduction in backroom staff in Devon and Norfolk that is necessary at the moment. That fact was recognised by previous Conservative Governments, which is why they were so keen to create so many unitary councils, which Derby, Nottingham, Leicester and many other local authorities around the country benefited from. The hon. Gentleman

[Chris Williamson]

is on shaky ground if he is suggesting in some way that there is no duplication in the two-tier model that we have in Norwich and Exeter.

Simon Wright: What is the hon. Gentleman's assessment of the savings that would be produced by reducing the number of councillors? He said early in his speech that that was one of the main savings. I ask that particularly as the shadow boards that were set up paid considerable salaries to councillors who were already earning a council allowance.

Chris Williamson: The hon. Gentleman should not get too hung up on the issue of councillors. I explained that reducing their numbers represented not one of the main savings, but just one of the savings. If the hon. Gentleman looks at the impact assessment that was carried out at the time, he will see that it illustrated that the savings across the piece for Norwich and Exeter would be about £6.5 million per annum. That is an unanswerable fact, and I should have thought that the Government supported it.

Mr Ben Bradshaw (Exeter) (Lab): Is it not absolutely astonishing that the hon. Member for Norwich South (Simon Wright) is not aware of the figures in his own Government's impact assessment? They show quite clearly that there will be net savings within six years and then savings of £6.5 million every year. Those are not our figures—they are the Government's figures, but the Government have completely ignored them.

Chris Williamson: I agree with my right hon. Friend: what the hon. Member for Norwich South (Simon Wright), who represents one of the cities affected, says is astonishing. It is even more incredible given that the Liberal Democrat party in the hon. Gentleman's home city supports unitary status for the city. I do not quite understand why he has come here to justify and defend the indefensible. I know that the Liberal Democrats are on the leash of the Conservative party, but the hon. Gentleman perhaps takes things to the extreme.

The swingeing cuts that the Government are imposing will have a devastating impact on people around the country. I appeal to Government Members to consider for a moment what that will mean not only for people who work for the authorities affected, but, most importantly, for the recipients of those authorities' services. I should have thought that Government Members would have a moral obligation to look for ways to ameliorate the full impact of the cuts to which local authorities are subject. Giving Norwich and Exeter unitary status would go a long way towards ameliorating that impact, so I call on Government Members to look into their hearts and ask themselves whether they are making the right decision. Are they simply being driven by some dogmatic imperative or are they prepared to reconsider their position? Are they—this is why hon. Members are elected to this Chamber—prepared to stand up for ordinary people and to protect their interests. By supporting the position of the Opposition and of the people and councillors of Norwich and Exeter, they would be fulfilling the role for which they were elected to this Chamber.

Chris Heaton-Harris: I promise that I will not trouble the hon. Gentleman again, but how can he stack up the comments that he made earlier about making savings in back-office functions, and therefore making people redundant, with his comments now about trying to prevent cuts in the public sector?

Chris Williamson: The fact is that there will be cuts as a result of the decisions being taken by the Government, who are in charge of funding for local councils, but the Opposition do not accept that it is necessary to make cuts on the scale that is being proposed.

As for how I reconcile the points that I have made, I acknowledge that there will be some cuts, irrespective of whether Exeter and Norwich became unitary councils. My point, however, is that the savings that would be generated by unitary status could be used to protect front-line services. Moreover, freeing up Norwich and Exeter would give them the ability to bring in new inward investment and to innovate in a way that would create jobs in the private sector. The Government and the Office for Budget Responsibility claim that 2.5 million jobs are required in the private sector. We should support local authorities such as Norwich and Exeter in bringing in new inward investment and assisting the private sector to innovate and create the jobs that will be desperately required.

I just wonder what happened to the brave new world of Tory localism. Hon. Members will correct me if I am wrong, but did the Secretary of State not say that he wanted to put

"town halls back in charge of local affairs"?

The Government's position on this issue calls that statement into question—it is something of a sick joke. If the Secretary of State genuinely wanted to put town halls back in charge of local affairs, he would support the democratic wishes of the elected officials in Norwich and Exeter and of the people who live in those cities. This is a bad Bill—it has all the hallmarks of a political stitch-up. It is more to do with placating Tory county backwoodsmen in Norfolk and Devon than with modern, progressive local democracy.

The Bill is not about looking forward at all. It harks back to the disastrous period for local councils in the 1980s, when the Secretary of State was the leader of Bradford council. If passed, the Bill will represent a sad day for the people of Norwich and Exeter, and a sad day for local democracy. For all the Secretary of State's blustering hyperbole, it seems that he has already written the obituary for democratic localism even before the ink has dried on his much-vaunted localism Bill.

1.50 pm

Brandon Lewis (Great Yarmouth) (Con): I do not wish to detain the House for long on Third Reading, because much was said on Second Reading and in Committee and we have covered the issues. However, I wanted to update the House on the Norwich and Norfolk situation.

The hon. Member for Derby North (Chris Williamson) referred to the potential savings, which in Norwich were just under £2 million. That sounds good, but there is an up-front cost of £20 million, and most savings would be made only after five or six years. In most organisations, such potential savings are never delivered after that amount of time because things change.

Chris Williamson: I urge the hon. Gentleman to look at the impact assessment. He is right that the cost of implementing unitary status in Norwich and Exeter is around £40 million, but the savings over that same period work out at £39.4 million, so the net cost of implementation is only £600,000, and there is an additional, ongoing saving of £6.5 million per annum.

Brandon Lewis: The hon. Gentleman helps me to make my point: just think how much we could save if we did not have the up-front costs of a top-down, forced unitary authority. In Norfolk, local authorities and the county council are working together to find ways of sharing services and to make the savings of £6 million a year—or potentially more—across Norfolk without going to the trouble and cost of creating a unitary authority that is forced on them from the top down.

We must remember there was no screaming desire on the part of people in Norfolk or indeed Norwich for that change, and no opinion poll showed that they wanted it. The only review—published by the previous Government—showed an overwhelming desire for the status quo across Norfolk and that if there was a preference for unitary, it was for a Norfolk unitary rather than Norwich unitary, which could have meant an awful lot of savings. Changing Norwich city council, which has not had a great track record recently, into a unitary would not save anything in officers or councillors. The real benefit to Norfolk will come from local authorities working together and sharing services. Those discussions are ongoing, and I hope that savings can be made much earlier than they would have been made under a unitary authority. That might even happen before Christmas.

1.53 pm

Mr Ben Bradshaw (Exeter) (Lab): As my hon. Friend the Member for Derby North (Chris Williamson) said, this is a sad day for two of our great, historic English cities. I was brought up in one of them—Norwich—and I have represented the other in the House since 1997. The Government's measures will not be lost on the voters of either city. Indeed, in local government elections in September—they were forced on us by the Bill—the Conservatives did very badly, the Liberal Democrat vote completely collapsed, and Labour retook control of the council. I predict a similar bloodbath for the Conservatives and Liberal Democrats in Norwich when voters there have the opportunity to use their democratic right.

The quisling stance of the Liberal Democrats and the hon. Member for Norwich South (Simon Wright) will not be missed by the voters of Norwich. As a candidate, he advocated Norwich's unitary status; since then, he has voted with the coalition Government in favour of the Bill and against our amendments that would have kept the ambitions of Norwich and Exeter alive.

There is a long history to the Bill. For hundreds of years before 1974, Norwich and Exeter enjoyed self-government. Long before county councils were even thought of, let alone invented, Norwich and Exeter had their own unitary local government that made decisions on behalf of their citizens. In 1974, the then Conservative Government robbed those two great, historic cities of their right to self-determination in their reorganisation. They handed most of the services, including the most important ones—education and social services—to the county councils.

We have heard a lot in debates on the Bill about dealing with the problems of two-tier local authorities. That principle used to be held by all parties in the House. As my hon. Friend the Member for Derby North reminded us, the previous Conservative Government were very permissive in granting unitary status, including to the two other main urban areas in Devon, Plymouth and Torbay. It is funny that they were happy to grant Conservative Plymouth and Conservative Torbay unitary status but not Exeter, which is of even greater economic importance and value to the wider sub-region. The Conservatives have completely changed their position, and it is not really very clear what the Liberal Democrats position is.

There are many reasons to advocate unitary government, and they have been taken up by all parties. My hon. Friend spoke of the economies involved, but almost as important to my constituents is the feeling that they have some democratic control, and that councillors have some democratic accountability. They do not currently have that. Countless decisions that affect Exeter and Norwich are made by county councillors who are not from those cities and who do not have their interests at heart. That is one reason why all parties in the House have supported unitary government in the past. It is more efficient and cheaper, and there is a direct line of democratic accountability, which voters prefer and value.

In the course of debates on the Bill, the Government have been absolutely unable to produce evidence for it. Their own impact assessment made it quite clear that unitary status would mean significant savings to the taxpayer in the medium and long terms. They have been unable to challenge the fact that unitary status in Exeter and Norwich enjoyed widespread support. In my own city of Exeter, every single party on the local council, including the Conservative party, the Liberals, the Liberal Democrats and the Labour party, supported Exeter's unitary ambitions, as did our university and business community. In Norwich, support was almost but not quite as unanimous—the Conservatives were the only party on that local authority to oppose Norwich's bid.

The Government have produced absolutely no evidence for what they are doing today. My hon. Friend was quite right, therefore, to imply that the only possible reason for the Bill is political spite. There is no other reason for it at all. The voters will long remember and not forgive that, but all is not lost. I was pleased that in an earlier debate on the Bill, Labour Front Benchers gave a very clear commitment that under a future Labour Government, the just and rightful aspirations of the people of Exeter and Norwich will be honoured.

1.58 pm

Robert Neill: With the leave of the House, I will briefly reply to the debate.

I congratulate the hon. Member for Derby North (Chris Williamson) on a remarkable display of political chutzpah. I kept my opening speech brief not because I am embarrassed by the Bill—I am not remotely embarrassed by it—but because when I was a young barrister, those who taught me often said, "The stronger

[Robert Neill]

the case, the shorter the argument should be." As briefly as possible, I shall briskly rebut some of the points that were made in the debate.

First, the Bill is not about the merits or otherwise of unitary authorities per se, but about the specific proposals for Norfolk and Norwich and Devon and Exeter, and the hangover arrangements relating to the county of Suffolk—no more than that. That came about, I observe, because the former Labour Secretary of State, the right hon. Member for Southampton, Itchen (Mr Denham), attempted to rush through these unitary proposals, against the advice of his Department's accounting officer and his own party predecessors, in the dying days of the last Parliament. That was struck down as unlawful by the High Court, however, so the matter remains outstanding and has to be brought to a close.

Chris Williamson: If this is not an argument against the merits or demerits of unitary councils, it would seem that the Minister has inadvertently conceded that this is an act of political spite.

Robert Neill: On the contrary, it is clearing up an act of partisan manoeuvring by the previous Government, who abandoned their own criteria. It is worth remembering that a previous Labour Secretary of State, the right hon. Member for Salford and Eccles (Hazel Blears), concluded that neither the Exeter bid nor the Norwich bid met the value-for-money test that she had set. Was she acting out of political spite? I rather doubt it. It was also concluded that the Norwich bid was questionable on the affordability test. So the Labour party set out certain criteria, but these proposals did not meet them, and it then completely changed its tune. It is the ultimate hypocrisy, therefore, for Labour Members to accuse the Government of having changed their stance; it is they who have been so inconsistent that the High Court overturned their attempted gerrymandering.

Chris Williamson: How does the Minister respond to the point that the impact assessment concluded that there would be ongoing savings of £6.5 million per year? Surely that is an example of good value for money, and it would be brought about by creating unitary councils in Norwich and Exeter.

Robert Neill: I am glad that the hon. Gentleman raises the impact assessment, which I was going to come to, because throughout this debate Labour Members have singularly failed to understand how the impact assessment operated. First, it set out and commented on the costs and savings by reference to the previous Government's assessments. If they think there is a problem with the previous assessments, it is not our difficulty—we did not create them. It was the previous Labour Government who judged that these proposals did not meet the financial criteria and, in the case of Norwich, the value-for-money criteria as well. They cannot have it both ways; their impact assessments were used by their own Ministers to condemn proposals that they later chose to bring forward—so I will not hear any arguments on the impact assessment.

Secondly, it is quite clear—there is ample evidence from across the country, from joint working by local authorities, including those in Devon, Suffolk and Norfolk—that considerable savings can be made through collaborative working without the on-costs and up-front costs of reorganisation. So we can have the benefits without the costs.

At the end of the day, this was a political act by the Labour Government, who, finding it inconvenient to stick with the decisions of their own Secretary of State, the right hon. Member for Salford and Eccles, decided to wriggle out of it by inventing a reason that had never existed before for departing from their own criteria. That was struck down by the High Court. We have concluded that enough is enough, and that this would not serve the good interests of the governance of the counties of Devon and Norfolk, of which the cities concerned are an integral part. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read the Third time and passed, without amendment.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CONSTITUTIONAL LAW

That the draft National Assembly for Wales Referendum (Assembly Act Provisions) (Limit on Referendum Expenses Etc.) Order 2010, which was laid before this House on 21 October, be approved.—*(Mr Goodwill.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the draft National Assembly for Wales Referendum (Assembly Act Provisions) (Referendum Question, Date of Referendum Etc.) Order 2010, which was laid before this House on 21 October, be approved.—*(Mr Goodwill.)*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 2 December, the Speaker shall put the Questions necessary to dispose of proceedings on the Motions in the name of Mr Kevin Barron relating to Publication of Information about Complaints against Members, Power of the Parliamentary Commission for Standards to Initiate Investigations and Lay Membership of the Committee on Standards and Privileges not later than one and a half hours after the commencement of proceedings on the first such Motion; and such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved.—*(Sir George Young.)*

WELSH GRAND COMMITTEE

Ordered,

That—

(1) the matter of the implications for Wales of the Government's Comprehensive Spending Review be referred to the Welsh Grand Committee for its consideration; and

(2) the Committee shall meet at Westminster on Wednesday 1 December at 9.30 am and between 2.30 pm and 4.30 pm to consider—

(a) a statement by the Economic Secretary to the Treasury; and

(b) the matter referred to it under paragraph (1) above.—*(Sir George Young.)*

UK Veterans Administration

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Goodwill.)*

2.4 pm

Ms Louise Bagshawe (Corby) (Con): Thank you, Madam Deputy Speaker, for offering me the opportunity to debate a matter that I know will be of particular concern not only to Members of the House, but to the entire country.

The ceremonies of Remembrance Sunday are fresh in our minds. I know that most hon. Members in the Chamber this afternoon will have had the honour of recently laying a wreath in their own constituencies—in my case, under the auspices of our amazing branch of the Royal British Legion in Corby and east Northamptonshire. It is perhaps appropriate that time has been made to debate how our country treats its veterans, and whether we have the prospect of a better model in front of us, in this month of November. It is my contention that the UK needs a fully fledged veterans administration.

A great opportunity lies before the Government, and I am full of hope because both in the manner of their conception, and the way they have governed since, the coalition Government have eschewed the piecemeal. Things are not being done by halves. They are a Government of big ideas, sweeping reforms and profound change. From the universal credit to free schools, from the spending review to the alternative vote referendum, the Government, like the infant Hercules strangling the serpents, have not failed to grasp nettles and do things differently, even in their earliest days.

Our veterans need things to be done differently. I am sure that all Members support the amazing work of the Royal British Legion, Help for Heroes, whose wrist band I am wearing today, ABF The Soldiers' Charity and the plethora of other worthy military charities operating in our country. However, as my hon. and gallant Friend the Minister will be aware, there is a great feeling out there among the public that it is shameful that our veterans rely so greatly on voluntary bodies and charitable giving.

As a candidate, I was heartened to see my party campaign on restoring the military covenant, and now, as a coalition Back-Bench Member, I welcome all the various steps the Government have taken for our troops—for example, the doubling of the operational allowance and the military covenant being sealed in statute. My right hon. Friend the Prime Minister, as almost one of his first acts in office, announced a welcome review by my hon. and gallant Friend the Member for South West Wiltshire (Dr Murrison) into mental health care for veterans. Meanwhile, the Secretary of State for Education has announced that the pupil premium will apply to the children of military families, and to great acclaim has recently announced a troops to teachers programme, bringing ex-servicemen's expertise and valour into the classroom, so that they can benefit the nation's children.

All of that, taken as a package, is extremely heartening. However, I urge the Minister to consider whether the Government's efforts on behalf of troops and veterans do not point the way to a more comprehensive and unitary approach and a single co-ordinating veterans administration taking care of everything, rather than to the provision of piecemeal help from individual Departments.

I shall return to the theme that I took up in my maiden speech, because the matter is so important to me. The UK is the only country in the English-speaking world not to have a veterans administration, veterans department or something similar, and that is a rebuke to this House. New Zealand has Veterans' Affairs New Zealand, with its own dedicated Minister; Australia and Canada both have Departments of Veterans' Affairs; and of course the United States has the gold standard in the Veterans' Administration.

In an article written for the website Conservative Home about his review of mental health care on behalf of the Government, my hon. and gallant Friend the Member for South West Wiltshire said:

> "Throughout my review I have been struck by the almost grudging beneficence of past British governments towards uniformed men and women in stark contrast with that of other nations, particularly our Anglophone partners. I doubt our warriors will ever enjoy the hero worship that Uncle Sam lavishes on America's finest".

But why should that be? Since they are every bit as heroic—many of us would say more so—why should they not enjoy it? I urge the Government to go further than their already welcome efforts have. It is not simply a matter of cost. It is true that the budget for the US Veterans' Administration is a monstrous $87 billion—and because a good politician is a pragmatic politician, I am not asking the Government to go in that direction—but the budget for the Canadian Department of Veterans' Affairs is only 3.4 billion Canadian dollars. In this country, however, what is first required is not excessive extra cost, but merely co-ordination. The original United States Veterans' Administration was founded in 1930 with a mission to

> "consolidate and co-ordinate Government activities affecting war veterans".

And we need nothing more in this country.

Today, we have the Service Personnel and Veterans Agency, but I regret to say that it is nothing like enough. The SPVA was created in 2007. In its own words, there are

> "many organisations...from Government and the voluntary sector"

that provide help to veterans. Describing that scattergun approach, the SPVA says:

> "This can at times be confusing for those seeking help as they are unsure about which organisations provide what services."

I regret that that quotation is verbatim. The SPVA website, Veterans-UK, is supposedly the first portal through which our veterans are meant to access its services. It is an embarrassment, Madam Deputy Speaker. Is that really the best that we can do for our veterans, our serving troops and their dependants? If, as a soldier, you want to go online and find out why you are not entitled to priority in local housing—unless you are Welsh—this website is for you; and should you wish to be directed to a number of charities, which may or may not be able to help, this is for you. Anyone wishing to look up the Government's apparent "review of veterans policy", which the site is linked to, will be directed to the Minster for Veterans—no, not my hon. and gallant Friend on the Front Bench this afternoon, but a smiling photograph of my colleague on the Select Committee

[Ms Louise Bagshawe]

on Culture, Media and Sport, the hon. Member for West Bromwich East (Mr Watson), who has not been the Minister for more than four years. That is the level of service that this country currently offers.

Written answers to questions from Members from all parties, in all parts of the House, including the hon. Member for Dwyfor Meirionnydd (Mr Llwyd), who had such a long-standing interest in veterans' affairs, have revealed, for example, a lack of data kept on the number of ex-servicemen in prison. Another answer showed that no estimate of the cost of family breakdown arising from veterans' mental health problems has been made. Far too many written answers from the Ministry of Defence concentrate on charities. The world is starting to notice. Sergeant Neil Duffy recently returned his medals to the Prime Minister in a protest over benefits cuts that had left him suicidal. That was apparently down to a Department for Work and Pensions error, but a co-ordinating veterans administration would have avoided any confusion between military benefits and civilian entitlements.

On 4 November, *The Economist* ran an article condemning our country's veterans provision, writing that

"a lavish American-style GI Bill of Rights is unlikely"—

and nor, I should emphasise, am I asking for one this afternoon—and quoting the director general of the British Legion as saying that he plans for

"a bow-wave of demand for our welfare support".

The Economist, I hope like the House, concludes that, in honouring our war dead, we

"ought perhaps to think also of a future that, for some servicemen, is likely to be bleak"

There are many things that a veterans agency could do that would cost the Government absolutely nothing at all. Had I won the ballot on private Members' Bills, I would have introduced a Bill making it illegal to discriminate against a member of Her Majesty's forces on the grounds that he or she is wearing the Queen's uniform. I would like to see a drive, led by the Government, on cultural change, perhaps through education programmes in schools and public information programmes, to develop practices such as those that I witnessed when living in the United States with my ex-husband for several years, where military personnel are regularly thanked for their service. When I have taken the opportunity, as a Member of this House, to thank troops whom I have come across for their service, I am often told that nobody has ever thanked them before. Surely that is a crying shame.

I hope that my hon. Friend the Member for South West Wiltshire will, in the end, be surprised, because our troops deserve all the honour—all the hero-worship—that the Americans render to theirs. I hope that the Minister this afternoon will consider creating a fully fledged, co-ordinating veterans administration or department, bringing the UK into line with the rest of the English-speaking world. He is not only a Minister, but a distinguished former soldier. May I therefore take this opportunity to thank my hon. and gallant Friend for his service, and to commend this project to him, as the final seal on restoring the military covenant, to which my right hon. Friends the Prime Minister and the Secretary of State are so committed?

2.13 pm

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): May I begin by thanking you for allowing me to speak in this Adjournment debate about veterans, Madam Deputy Speaker, and congratulating my hon. Friend the Member for Corby (Ms Bagshawe) on securing it in the first place? Needless to say, representing Plymouth, Sutton and Devonport, I am delighted to have this opportunity to talk on behalf of one of the finest strategic naval bases—indeed, one of the finest naval bases as a whole—and one of the most historic naval ports and cities that our country has.

There are two things that I would like to speak about in the next few moments. I will try to ensure that I do not take up too much time, but, first, if my hon. Friend the Minister and the Ministry of Defence are going to make a decision about the location of the national veterans weekend in 2012, I would like to ensure that Plymouth is up there in their considerations, as it most certainly should be. There is a genuine feeling that Plymouth was rather let down under the previous Administration and that Chatham pipped it at the post, but Plymouth has a good story to tell. Indeed, it is interesting to note that as we debate an incredibly important issue for my constituency, and for other Army, naval and Royal Marine bases, no members of the Labour party are here to participate.

Madam Deputy Speaker (Dawn Primarolo): Order. I should point out to the hon. Gentleman that this is an Adjournment debate that was secured by the hon. Member for Corby (Ms Bagshawe). She has given him permission to participate, but normally the convention is that only she speaks.

Oliver Colvile: Thank you for reminding me of that, Madam Deputy Speaker.

The second issue that I should like to raise is the whole business of combat stress and the mental health issues that go with it. I have been hearing some sad and depressing stories about how it can take 14 years for some veterans to come forward with combat stress. I have also heard stories of serving personnel who experience very big problems in their homes, because they have been overcome by their mental health issues. Unless we take action on that, we will face a whole series of related issues, including more drug and alcohol abuse, homelessness and all those other mental health issues.

I am delighted that my hon. Friend the Member for South West Wiltshire (Dr Murrison) has produced his report, which I understand has gone to the Prime Minister and which, according to the Secretary of State, will be fully implemented. That is very good news. The report makes the point that we should incorporate a

"structured mental health systems enquiry into existing medical examinations performed"

while servicemen and women are still serving, which is very important indeed. The report talks about uplifting

"the number of mental health professionals conducting veterans outreach work from Mental Health Trusts in partnership with a leading mental health charity,"

which is absolutely vital. The report refers to:

"A Veterans Information Service...to be deployed 12 months after a person leaves the Armed Forces,"

which is vital, as is the

"Trial of an online early intervention service for serving personnel and veterans."

All that is absolutely vital, because if we do not do something about these issues, we will see more people admitted to our mental health units, increasing numbers of people going to prison—and mental health issues in prison are a very big worry indeed—and an enormous amount more homelessness on our streets.

When I was first selected to be the candidate in Plymouth, Sutton and Devonport, I was struck by the story of a man whom I met at Bretonside bus station who was living on the streets. He told me about how his relationship had broken down once he had left his regiment in the Army—the whole thing had gone very wrong for him—described the problems that he then encountered and explained how difficult he was finding it to get back into work. The whole issue of combat stress is vital, but caring for our veterans after they have served so gallantly on behalf of our country is vital too.

Combat Stress, the well-regarded national charity, told me earlier today that it has seen a vast increase in the number of people suffering from mental health issues since the wars in Iraq and Afghanistan, so the more help we can give our veterans and the better we can take care of them, the better. That is what we should be about.

2.18 pm

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): Let me start, as is traditional, by congratulating my hon. Friend the Member for Corby (Ms Bagshawe) on securing this debate to discuss the important topic of how we look after former members of our armed forces. I am glad to hear that I, too, am expected to grasp nettles like the infant Hercules; I am not sure whether there is a mixed metaphor somewhere in there, but there probably is, although that is my fault, because I am not such an illustrious author. By the way, I am not a very distinguished soldier either—although it was very sweet of my hon. Friend to say that I was. Never mind, I take all flattery when it is given.

I am delighted to see my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) here today, and I have heard his submission for Armed Forces day 2012. I am sure that he will make it again, but I will note it and take it into account when decisions are made.

I confess that I was rather sorry to hear that the title of the debate had changed from "Care for UK Ex-Servicemen" to "UK Veterans Administration". Although I am officially the Minister for veterans, I cannot help feeling that many of those who have served are more comfortable with a term that highlights exactly what they have done—that they have served their country in a way that is unique. My only qualification would be to add that today more and more ex-servicewomen swell the ranks.

My hon. Friend the Member for Corby raised several important points, and I shall respond at length on one or two. I do not want to take up too much time, and I may not have all the information to hand, but we will enter into correspondence about the issues. I do not agree with everything she said, as I shall explain, but what has come across clearly is that she and I, as well as my hon. Friend the Member for Plymouth, Sutton and Devonport, share two fundamental principles. The first is that the nation and the Government have a moral obligation to care for those who have made a commitment by joining the armed forces, and taking on the duties and sometimes the sacrifices that service requires. I will return to the question of the armed forces covenant later.

The second principle is that when we provide support, we must place the ex-serviceman or woman at the heart of what we do. Organisations and structures are only the means to an end, and what matters is how we can best help each individual, such as the person whom my hon. Friend the Member for Plymouth, Sutton and Devonport met in a bus shelter.

My hon. Friend the Member for Corby highlighted the range of services that former service personnel may need to call on during their lives, and the variety of agencies that provide them. She argues that it would be more cost-effective to provide those services if they were brought together in a single administration. I do not agree, because when a service is already provided by one Department for the majority of the population, there needs to be a very strong case to set up a separate organisation to do the same thing for the remainder. Ex-service personnel live among us; they are not separate from the community that they have worked to protect. There are three ex-regular army officers in the Chamber and one former Territorial officer. We are here; we are not separate from the rest.

For the most part, veterans' needs are the same as those of their fellow citizens, whether they involve health care, housing or benefits. Most of our ex-service personnel do not want that period in their lives, which may be quite brief, to be the dominant factor in deciding how they access services for the rest of their lives. A great friend of mine, General Sir Robert Fry, recently said that some of the reaction to the armed forces at the moment is somewhat mawkish, and that is true up to a point. I do not mean that the armed forces, the House or I myself do not relish the fact that people are now giving due respect where it is deserved—but we must be careful that we do not adopt a mawkish attitude to people who are just getting on with their lives in the service of this country.

Bob Stewart (Beckenham) (Con): Some people might not consider that to be mawkish. From my time in Northern Ireland, I know some soldiers who would benefit greatly from better veterans' services. Our problem with mental casualties will increase hugely. On average, one person is killed for eight wounded, but in the Minister's and my time that was one to three. The problem will get worse, and we must ensure that our services for those veterans are as good as possible.

Mr Robathan: My hon. and gallant Friend not only spent a longer time in the armed forces than the rest of us in the Chamber today, but came away much more covered in glory and honour than anyone else. I assure him that I and the Government appreciate, as did the previous Administration, the long-term problems that may arise from many of the casualties in Afghanistan. I will return to mental health shortly, because I want to raise several issues.

The US model is often held up for comparison, but the great difference between ourselves and our American friends is, of course, that in this country we have a

[Mr Robathan]

national health service within a welfare state. It has the vocation to provide the very best care for everyone. Since 1948 the NHS has given excellent service day in, day out to millions of ex-servicemen and women and their families.

Ex-service personnel are entitled to priority in NHS treatment for conditions resulting from service. The main problem has been lack of awareness of that entitlement among ex-servicemen and women, and especially among practitioners, which is why we have supported recent steps to publicise it more effectively. At the new Queen Elizabeth hospital in Birmingham, we see evidence every day of the superb level of care that the NHS provides to our people who are injured in Afghanistan. They are still serving, of course, but that shows the first-class co-operation that can and does exist between different parts of Government. We must ensure that that is everyone's experience.

We must also recognise that part of the support for ex-service personnel comes not from the Government but from the voluntary and community sector; my hon. Friend the Member for Corby mentioned that. Sometimes the service charities are described as substituting for what the Government should be doing. I believe that that does them a great disservice. I say philosophically that Government bureaucracy is not necessarily the best way to deliver some of the extra services and care that service charities deliver. The help that charitable and voluntary organisations and—dare I say it?—the big society have given to people returning from warfare goes back a long way. It is not for the state to do everything, and the state is not necessarily best placed to do that. We all have social responsibilities, and service charities are an excellent example of the big society in action. I pay tribute to their vital and irreplaceable role in our national life.

This week—it seems to have been quite a long week—I had an opportunity to visit the Royal British Legion on the south bank, and Combat Stress, two organisations that work as active and independent charities, but collaborate closely with the Government in the interests of ex-servicemen. Several formulae have been suggested over the years to strengthen the focus on ex-service issues in the UK. They range from the full-blown US-style Veterans Administration to more modest changes to Government machinery. Some give a greater role to the Ministry of Defence; others look to central Government to take on the responsibility. The creation of a Minister for veterans can be seen against that background, but my role, quite properly, has its limits. I can act as an advocate or as an interlocutor for ex-service personnel, but I do not want to tell the Department of Health and its devolved equivalents how best to deliver health care. Rather, I want to see ex-servicemen and women treated correctly across government, and not pigeonholed.

If we are to rely on our current range of providers to support former members of the armed forces, that will impose two requirements on us. The first is that the services that the nation provides should be attuned to the particular needs of veterans, where that is appropriate. Mental health has been mentioned, and it is an excellent example. It is generally acknowledged that ex-service personnel who are suffering problems as a direct result of their service—for example, those with post traumatic stress disorder—might respond better to an environment in which their particular experience is recognised and understood. I have heard this referred to as "cultural sensitivity". Hence the importance of the six mental health pilots, designed to trial best practice in this area, which are going on now.

Getting our mental health services right, and tailoring them to the needs of the ex-service personnel who need them, is a matter that my hon. Friend the Member for South West Wiltshire (Dr Murrison) has considered fully in his recent report. We are now taking forward his recommendations. To illustrate the priority that we attach to this, when I visited Combat Stress headquarters earlier in the week and had a chance to learn more about its activities, I was joined not only by my hon. Friend the Member for South West Wiltshire but by the Minister of State, Department of Health, my hon. Friend the Member for Chelmsford (Mr Burns). I hope that represents a true example of joined-up government. I heard exactly what my hon. Friend the Member for Plymouth, Sutton and Devonport said on these matters, but rather than going into them in great depth now, I want to discuss one or two of the issues with him later. Perhaps he could buy me a cup of tea.

Oliver Colvile *indicated assent.*

Mr Robathan: Ah, good. *[Interruption.]* He is quite well off, I think.

That joint approach brings me to the second requirement, which is co-ordination between providers. I think that the hon. Member for North Durham (Mr Jones), who used to do my job, will agree that the co-ordination between providers has not always been good. Ex-service personnel want services that meet their needs efficiently and effectively. They do not want to be shunted about, or to fall down the cracks. That has happened in the past, and it is still happening.

My hon. Friend the Member for Corby has referred to the efforts that the Service Personnel and Veterans Agency makes to co-ordinate the different services that ex-service personnel can call upon. Its helplines are very successful, for example, handling 150,000 to 200,000 calls each year. When I visited Norcross earlier this year, I listened to some of those calls, and heard good practical advice being given in a clear and sensitive way. I would like to put on record today my appreciation for what the SPVA staff do to assist ex-servicemen and women. Whether it involves managing pensions and compensation, staffing the helplines, delivering the veterans welfare service or issuing veterans badges—which are very popular—they make a real difference.

We must ensure that Government Departments work together as a matter of course. They need to take into account the needs and concerns of former service personnel at all stages of their work, from developing policy to delivering services on the ground.

Mr Kevan Jones (North Durham) (Lab): I completely concur with the hon. Gentleman's point about co-ordination at local level. We piloted the welfare pathway—I understand that he does not like that name—and I wonder whether he is going to roll it out further. It was all about getting people at local level talking to each other.

Mr Robathan: The hon. Gentleman knows that I recognise and pay tribute to the work that the last Administration did. If we look back 10 years, or even five, the situation was not what it is now—let us not blame whoever was in government 10 years ago—and I pay tribute to what they did. Now, the situation is very different from what it was even three years ago. He is quite right to say that I do not like the term "pathway"; it sounds a bit like new Labour-speak to me. However, in answer to his question, we are making no commitments at the moment, but we are certainly looking towards this way, because if it works, it will be the best way forward.

As I was saying, Government Departments need to work together as a matter of course, and to take into account the needs and concerns of veterans at all stages of their work, from developing policy to delivering services on the ground. I have even put into my speech here that I believe that the previous Government were right to emphasise that principle, when they published the command paper "The Nation's Commitment: Cross-Government Support to our Armed Forces, their Families and Veterans". To ensure that that happens, the Cabinet Office chairs a Committee at senior level to bring Departments together.

What we have been discussing is at the heart of the military covenant. Our own commitment to rebuilding the covenant featured prominently in the coalition programme for government. That programme includes a range of proposals to benefit ex-service personnel, from mental health to troops to teachers, which was mentioned only yesterday and, I noticed, was the subject of a headline in the *Evening Standard*. I am not sure that I quite understood the newspaper's interpretation of the proposal, but there we go. On Troops for Teachers, I was delighted to hear my right hon. Friend the Secretary of State for Education yesterday confirming our commitment to a scheme that will help both ex-service personnel and our schools.

I suggest to the House that the key to making things work better for ex-service personnel is that kind of holistic, co-ordinated approach, working together to a common end, rather than an organisational upheaval. Our intention is that the new tri-service armed forces covenant will set the tone of what we do across Government.

I am grateful to my hon. Friend the Member for Corby for giving us the opportunity to discuss these issues today. I will take up many of the points that she has raised and discuss them with her further. Her interventions remind us that one of the yardsticks by which a Government are judged is how well they treat their ex-servicemen and women. We are determined to treat them with dignity and respect and to reflect the huge debt, which my hon. Friend spoke about, that we all owe to all of them. It is our moral duty to do so.

Question put and agreed to.

2.35 pm

House adjourned.

House of Commons

Monday 29 November 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State for Culture, Olympics, Media and Sport was asked—

Local Media

1. **Charlie Elphicke** (Dover) (Con): What plans he has for the future of local media. [26730]

10. **John Glen** (Salisbury) (Con): What plans he has for the future of local media. [26739]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): We have announced radical plans to secure the future of the local newspaper industry, and have ambitious hopes to turn this country from one of the least well served by local television to one of the best served.

Charlie Elphicke: Many local newspapers have struggled with the recession, but the *East Kent Mercury* and the *Dover Express* in my constituency have done really well. Do Ministers think it right to praise successful local newspaper groups?

Mr Hunt: Yes, especially when they are in one's own constituency. My hon. Friend is absolutely right. The best way in which we can help local newspaper groups is by making it commercially viable for them to turn into multi-media operations which offer their news product over radio, television, iPods, iPads and mobiles. I do not know what the broadcast footprint of Dover television might be, but I have no doubt that it would extend my hon. Friend's reputation as a campaigning Member of Parliament across the channel to the north coast of France.

John Glen: In the light of the uncertainty facing local radio operators such as Spire FM in my constituency over the path for migration to DAB, can the Minister tell us when the owners and operators of such stations will know whether they can secure a future beyond Ofcom's seven-year licensing strategy?

Mr Hunt: I thank my hon. Friend for his important question. We greatly value the role of local radio, and we are also very committed to the transition to a digital future. We want to ensure that the timing is such that it does not force people to jettison their analogue radios in huge quantities. Our discussions are progressing rapidly. Last week I had a discussion with the managing director of one of the largest commercial radio groups, and we hope that our discussions will progress further in the next month.

Chris Bryant (Rhondda) (Lab): There is a great deal of anger in Wales about the way in which the Minister and his Department have treated our local media. ITV Wales will probably not be able to sustain its public service requirements, and S4C has been treated appallingly. There has been no consultation with the people of Wales. There will be a single monopolistic presence in broadcasting in Wales, and the Minister is doing a great disservice to the people of Wales by the way in which he is advancing his cause.

Mr Hunt: The mess in local broadcasting in Wales was not created by this Government. It was the hon. Gentleman's party under which audiences for S4C halved over the last decade, and which did absolutely nothing about it. We have sought to find a secure future for S4C that will maintain its independent identity but will also give it the support of our largest broadcaster. We have actually done something about the problem; the hon. Gentleman's party did nothing about it whatsoever.

Ian Lucas (Wrexham) (Lab): When the Minister does consult on the future of local media, will he speak to elected representatives? I note that he has completely ignored the views of all party leaders in Wales on S4C, including the leader of the Conservatives in Wales. Is not the way in which he is ignoring elected representatives from Wales an absolute disgrace? Will he start talking to people about something which is very keenly felt in Wales, and which he does not understand?

Mr Hunt: With respect to the hon. Gentleman, I have talked to many elected representatives, but in particular elected representatives from this House, about the best way forward for S4C. We have put a solution on the table which secures S4C's finances for the whole comprehensive spending review. If the hon. Gentleman has a better solution, perhaps he should put something forward, because we have heard nothing from the Labour party.

Fibre-optic Broadband

2. **Mark Pawsey** (Rugby) (Con): If he will discuss with the Secretary of State for Business, Innovation and Skills steps to ensure that the roll-out of fibre-optic broadband is available on an equal basis to all customers in a single community. [26731]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I am lucky enough to be a Minister in both the Department for Culture, Media and Sport and the Department for Business, Innovation and Skills, but I intend to discuss the issue with my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport, who leads on it.

Mark Pawsey: Constituents of mine tell me that on a new housing estate consisting of 900 homes, about 800 are about to receive the new BT Infinity fibre-optic service, but 100 will be left with a poor 0.5 to 1.5 megabit supply. Working professionals rely on an efficient service. Will the Minister make representations to ensure that all users in a community receive the same excellent service?

Mr Vaizey: My hon. Friend speaks up very well for his constituents in regard to this problem, which is connected with the placing of exchanges. One community is often served by two different exchanges. However, I intend to speak to the relevant operator about the issue and report back to him.

London Olympics (Sporting Legacy)

3. **Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): What steps his Department is taking to secure a sporting legacy from the London 2012 Olympics. [26732]

The Minister for Sport and the Olympics (Hugh Robertson): I have asked Sport England to develop its £135 million places people play strategy, which along with the investment in the Olympic park will mean a new generation of iconic facilities, protection for our local playing fields and the gold challenge, which will both raise money for charity and get more people playing Olympic sports. The school Olympic-style competition will get competitive sport back in our schools, and all of this is, of course, supported by protecting both the whole sport plans and elite athlete funding in the spending review.

Dr Poulter: I am sure the Minister is aware that Ipswich has some fantastic sporting facilities, and we are greatly looking forward to hosting the Azerbaijan team during the 2012 Olympics, but may I invite him to visit Ipswich to help us in our aspirations to develop a sports village and a lasting sporting legacy for young people, and to improve healthy lifestyles in Ipswich?

Hugh Robertson: I thank my hon. Friend for that invitation, and I have indeed visited Ipswich on a number of occasions—and watched his football team win a couple of years ago. *[Interruption.]* I do not sound surprised at all. The scheme my hon. Friend mentions is precisely the sort of project that will benefit from the type of funding Sport England is now looking at, and I wish him every success with it.

Mr Ben Bradshaw (Exeter) (Lab): But will not the decision to scrap school sport partnerships do great damage to the most important part of the Olympics legacy, which is the health and fitness of our young people? What has the Minister said to the Education Secretary to try to persuade him to reverse this disastrous decision?

Hugh Robertson: I think it is fair to say that nobody who is involved in sports issues—as the right hon. Gentleman was in his previous job, of course—would want sports funding to be cut in any way, but we have to realise that this is a decision—*[Interruption.]* It is all very well moaning about it, but it is a decision taken against the backdrop of the fact that this country pays out £120 million in debt interest every day. Schools funding has been ring-fenced and handed over to head teachers, and I would challenge them to continue this funding where it is proving important and showing benefits, and I hope the right hon. Gentleman would support them in that.

Mr Don Foster (Bath) (LD): Further to that answer, I greatly welcome the proposal for the new school Olympics to improve competition between schools, but does the Minister recognise that for that to be successful it is important that schools receive a wide range of support, which was previously provided by the school sports partnership? Will he confirm that although the ring-fencing for the funding has gone, the money is still available in schools, and therefore will he confirm that he will continue to work with the Secretary of State for Education to ensure there continues to be a partnership into which schools—

Mr Speaker: Order. We have got the drift of the hon. Gentleman's question, and I am grateful to him for it.

Hugh Robertson: The short answer to that is yes of course I will. The key thing to remember is that the funding has, of course, been handed over to the schools—[Hon. Members: "No, it hasn't."] The schools budgets have been handed over to head teachers and it is entirely up to them to make decisions on it as they please. The head teachers of every single secondary school that I have visited during my time as a Member of Parliament have always asked me for greater control of their budgets; they have now got it.

Tessa Jowell (Dulwich and West Norwood) (Lab): The Olympics are a national project beyond party politics, and I join the hon. Gentleman in his support for that principle, which I have always maintained, so will he now stand with the coaches, the teachers, the young people and the volunteers who are bewildered and outraged by the decision to dismantle the partnerships that have seen nine out of 10 children play sport regularly? I ask him to do so in the spirit not of party politics, but of respecting that this second Olympic promise is a once-in-a-lifetime opportunity for those young people?

Hugh Robertson: I will absolutely stand behind those people. That is precisely why we changed the amount of money that sport gets from the national lottery, which enabled us to preserve both the whole sport plans and elite athlete funding. No money whatsoever has been cut from the coaching system that comes through the Department for Culture, Media and Sport—indeed, it has been increased. Those are precisely the measures that were opposed by the Labour party. I just say to the right hon. Lady, cross-party co-operation being what it is, that she has to recognise the scale of the financial problem we face: the amount of debt interest that we pay out every day is larger than the entire Exchequer contribution to Sport England in a year. That is the scale of the challenge we face.

Nicky Morgan (Loughborough) (Con): The Minister will be aware of the enormous value that sport plays in the economy of Loughborough. Not only will it host Team GB and Team Japan before the Olympics, but a

number of elite athletes are based at its university and college. What plans does he have to continue elite athletics funding after 2012 as part of the Olympics legacy?

Hugh Robertson: I thank my hon. Friend for that question. Of course Loughborough is right at the forefront of our plans for London 2012 and the development of sport beyond then. All the elite athlete funding has been not only confirmed for London 2012, but set at precisely the same level for the start of the Rio cycle, framed by our decision on the lottery and the money that UK Sport is getting this year. That is very good news for elite athletes in this country and it means that we will avoid the trap that the Australians fell into after the Sydney games—they front-loaded the funding for their home games and it fell off dramatically afterwards.

Regional Theatre (CSR)

4. **Diana Johnson** (Kingston upon Hull North) (Lab): What assessment he has made of the effects on financial support for theatres in regions outside the south-east of the outcomes of the comprehensive spending review; and if he will make a statement. [26733]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): Funding decisions from central Government are the responsibility of the Arts Council. I am delighted to say, however, that as part of the spending review the Arts Council has limited cuts to the budget for arts organisations to just 15%. We have also reformed the lottery money and that will boost the arts by £50 million each year from 2012.

Diana Johnson: For nearly 40 years, the Hull Truck theatre has been a huge success for the city of Hull. The theatre now employs 93 staff and is located in its new £15 million building at Ferensway. Following the £100,000 cut made by Hull city council last week and the £40,000 reduction made by the Arts Council, will the Minister look at this again, taking into account the fact that it is much easier to find private sector investment and jobs on the south bank of the Thames than on the north bank of the Humber? Will he particularly examine the regional funding for theatre in the most disadvantaged communities, such as my own?

Mr Vaizey: I absolutely hear what the hon. Lady has to say, and I pay tribute to that theatre and its reliance on a mix of different elements of arts funding. I would remind her that theatres in Yorkshire received almost £7 million in grant in aid via the Arts Council this year and will continue to be funded by the Arts Council in future.

Tourism Industry (Eastbourne)

5. **Stephen Lloyd** (Eastbourne) (LD): What support his Department provides for the tourism industry in Eastbourne. [26734]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): The Government aim to attract new tourist visitors from around the world through the activities of VisitBritain and to promote local destinations within the UK through the activities of VisitEngland. I noted that Eastbourne featured as destination of the month according to VisitEngland's June newsletter; the heading was "Visit England's sunniest resort".

Stephen Lloyd: The Minister mentioned that Eastbourne is famed for its record amount of sunshine. Is he aware that it was also ranked No. 1 in a survey of the friendliest holiday towns in the UK? Will he join me in praising those who work in Eastbourne's hospitality industry, and will he and his ministerial colleagues accept my invitation to take their next summer holiday in the sunniest town in Britain?

John Penrose: I would be delighted to spend my holiday in Eastbourne were it not for the fact that I represent Weston-super-Mare, which I hope the hon. Gentleman will accept is an equally wonderful seaside resort. I do, however, join him in congratulating the welcomers in Eastbourne and other parts of the visitor economy, because the welcome accorded to visitors is a tremendously important part of the value that any tourist perceives when they visit any part of the UK.

Mr John Whittingdale (Maldon) (Con): Does the Minister accept that there is now a lot of evidence to suggest that tourism in Eastbourne and in other parts of the country would receive a substantial boost if we moved to daylight saving? Will he therefore consider giving whatever fair wind he can to the Daylight Saving Bill promoted by my hon. Friend the Member for Castle Point (Rebecca Harris), which is to be debated in this House on Friday?

John Penrose: I am on the record from previous oral questions as saying that the potential benefits to the tourism industry are extremely well documented and are widely held to be substantial. I am sure that my hon. Friend will also accept that there are other factors to consider, notably the concerns of many people in northern Scotland and Northern Ireland about the effect on other parts of the economy. Therefore, we want to try to ensure that we are not leaving any part of the UK behind or imposing a decision without consent. I suspect that, with any luck, that will be part of the debate on Friday.

Philanthropy (Arts)

6. **Mel Stride** (Central Devon) (Con): What progress he has made on arrangements to support philanthropy in the arts. [26735]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): Boosting philanthropy is central to our strategy to help the arts weather an extremely difficult economic storm. We will announce a package of measures to do that before Christmas.

Mel Stride: Smaller organisations often lack the skills and experience to raise money from private sources. What can my right hon. Friend do to help smaller arts organisations, such as the Devon Guild of Craftsmen in my constituency, to raise even more money through philanthropy?

Mr Hunt: I commend my hon. Friend on his work for small arts organisations in his constituency. They are the lifeblood of the arts world. Organisations such as The Factory, an amateur arts group that puts on productions of "Hamlet" all over the country in church halls, are the kinds of organisations that nurture the acting talent of the future. They do not always have the fundraising capacity, however, to raise money from private donors. That is why, with the Arts Council, we will announce a series of measures to help rectify that. I hope that that will please my hon. Friend.

Steve Rotheram (Liverpool, Walton) (Lab): In his Department's structural reform plan, the Secretary of State made clear his support for philanthropic giving to supplement funding to arts and cultural organisations. Will he therefore join me in raising money for institutions in Liverpool? If I promise to get my mates to have a whip-round and to donate a few bob each, will he ask his 22 millionaire friends in the Cabinet to match our donations in proportion with their wealth?

Mr Hunt: I will happily give the hon. Gentleman any support I can in his attempts to boost philanthropy in Liverpool, as I will to attempts in the rest of the country. He is absolutely right—one of the best ways to boost philanthropy is to find a rich person and ask them to chair the fundraising committee.

Sarah Newton (Truro and Falmouth) (Con): What progress has the Minister made in ensuring that national museums financially support their offspring in the regions, such as the National Maritime museum in Falmouth in my constituency?

Mr Hunt: My hon. Friend makes an important point. In the settlement letter that we gave to all the national museums, which protected their funding to a much greater extent than was possible for many other parts of the public sector, we asked them to come forward with proposals through which they would mentor and help smaller arts organisations in the regions with their fundraising. We hope to announce progress on that front in the next few weeks.

Mr Ivan Lewis (Bury South) (Lab): The Department's business plan states, intriguingly, that the Secretary of State's philanthropy strategy will incorporate "insights from behavioural science". Does he accept that if such a strategy is built solely on a nudge and a wink, or advice from a psychologist, it will be a damp squib in exactly the same way as a nudge and a wink, rather than the coalition's promised tax break, is doing nothing to support the growth of the UK video games industry?

Mr Hunt: It is all very well for the hon. Gentleman to carp from the sidelines, but where are his proposals to boost philanthropy? Where are his proposals to help increase the money going to the front line? We are doing things to try to boost the amount of private giving to deal with the economic crisis that we inherited from his Government. He should help us, support us and contribute constructively. I am happy to nudge him to do so.

Library Provision (CSR)

7. **Chris Evans** (Islwyn) (Lab/Co-op): What assessment he has made of the likely effects on library provision of the outcomes of the comprehensive spending review. [26736]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): Local authorities have a statutory duty to provide a comprehensive and efficient library service. I shall be writing to all local authorities this week to remind them of that. We have put in place a plan through the future libraries programme to help local authorities take forward their library service.

Chris Evans: Libraries play an important role in adult literacy programmes. Will the Minister guarantee that those programmes will be kept in any future Government plans?

Mr Vaizey: As I said, the library service is a local authority service so it is up to local authority services to deliver it. I can also tell the hon. Gentleman with my BIS hat on that the excellent Minister for Further Education, Skills and Lifelong Learning has preserved a substantial amount of funding for adult literacy programmes.

Andrew Bridgen (North West Leicestershire) (Con): In my county of Leicestershire we are seeing increased use of our libraries. Will the Minister reaffirm his commitment to support the important services they provide?

Mr Vaizey: I would certainly support the important services that Leicestershire libraries provide. I have visited Leicestershire libraries. May I also take this opportunity to praise Leicestershire's excellent music service, which I hope the county will preserve?

Mr Eric Illsley (Barnsley Central) (Lab): How does the Minister square what he has just said about preserving libraries with the effects of the comprehensive spending review and the cuts in financing to local government, given that one of the first areas to face closure will be local library provision?

Mr Vaizey: As I have said, libraries are a statutory service, so local authorities must provide them, and providing that they have a far-seeing and imaginative plan, they can do so. There are many excellent local library services up and down the country, and the future libraries programme is making sure that that knowledge is widely disseminated.

Transport (London Olympics)

8. **Bob Russell** (Colchester) (LD): What discussions he has had with the Secretary of State for Transport on the use of the surface rail route between Liverpool Street and Stratford as part of the transport network for the London 2012 Olympics. [26737]

The Minister for Sport and the Olympics (Hugh Robertson): Although I have regular discussions with the Transport Secretary on a variety of Olympic transport

issues, I have had no detailed discussions with him about the particular use of this route.

Bob Russell: I encourage the Minister to do just that. The eyes of the world will be on east London in 2012 and I pray that very few people cast their eyes on the trackside wasteland and derelict buildings between London Liverpool Street and Bethnal Green. Will he, in the spirit of joined-up government and of involving the Mayor of London, bring people together to ensure that that stretch of the line matches what is attractive in Stratford?

Hugh Robertson: The simple answer to that question is yes, of course I can. About 200,000 people use Liverpool Street station every morning and we anticipate that there will be about 45,000 to 50,000 extra during the games, many of whom will not be going in and out at peak time and will be going in the opposite direction to the normal commuter flow, but I take the hon. Gentleman's point and will see what I can do about it.

Universal Broadband Service

9. **Stephen Timms** (East Ham) (Lab): What discussions he has had with the Secretary of State for Business, Innovation and Skills on the likely effects on competitiveness of the change in the time scale for the delivery of a universal broadband service. [26738]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I have not discussed this with the Secretary of State for Business, Innovation and Skills, but I have discussed it with the Secretary of State for Culture, Olympics, Media and Sport and we both agree that the new target of having the best superfast broadband in Europe by 2015 is the best way to proceed on broadband. I have also praised my right hon. Friend for having secured substantial funding for broadband roll-out.

Stephen Timms: This matter is very important for competitiveness, especially at a time when we need many new jobs to be created by companies in rural areas as well as in urban areas. Before the election, the Minister's right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport described the plan to secure 2 megabits per second broadband access universally by 2012 as woefully unambitious, but since the election he has simply deferred the deadline by three years to 2015. What became of his ambition?

Mr Vaizey: Our ambition doubled, tripled and became superfast. We learned from broadband providers that they were already in a position to implement superfast broadband, so why should we push them down the slow channel when we could push them down the fast channel? That is why the pilots announced by the Secretary of State will implement superfast broadband for rural areas. I know that the right hon. Gentleman will welcome that given his experience in the previous Government.

Duncan Hames (Chippenham) (LD): Even with impressive progress, some communities such as Atworth in my constituency still face being left out, but nearly all the schools in my constituency have access to broadband speeds of at least 9 megabits per second. Will the Minister consider opening the various grids for learning so that people can pay to piggyback on broadband access from their schools out of hours?

Mr Vaizey: The hon. Gentleman makes an excellent point. We will be publishing a broadband strategy document at the beginning of the month which will address this specific issue. There are technical difficulties with achieving that, but if they can be overcome, it should certainly be done.

Tourism Industry (Wells)

11. **Tessa Munt** (Wells) (LD): What support his Department provides for the tourism industry in Wells. [26743]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): As I said earlier to my hon. Friend the Member for Eastbourne (Stephen Lloyd), the Government are investing through VisitBritain both by trying to attract more foreign visitors to the UK and by attempting to refocus VisitEngland to make sure that it is promoting English destinations of all kinds, such as those in the constituency of the hon. Member for Wells (Tessa Munt), to we Brits.

Tessa Munt: In common with many of the tourism and leisure businesses along the Somerset coastline, including the thousands of small bed-and-breakfast businesses, many of which have diversified from farming, I support the suggested trial of double summertime, about which the House will hear more in Friday's debate on the Daylight Saving Bill. Given the importance of this matter to hon. Members on both sides of the House and to leisure and tourism businesses in Somerset, including north Somerset, will the Minister give assurances that he will work with his colleagues in BIS, that the Bill will not be talked out and that the matter will proceed to a vote?

John Penrose: I am afraid that the hon. Lady will have to wait for Friday to see who wants to speak for how long during the debate, but I can assure her that I have already engaged in substantial discussions with my colleagues in BIS on this. My earlier answer to my hon. Friend the Member for Maldon (Mr Whittingdale), from the Culture, Media and Sport Committee, stands: this proposal could be tremendously valuable to the tourism industry as a whole, but that is not the only factor to be considered. There are issues for people who live north of border that need to be taken into account as well.

Gloria De Piero (Ashfield) (Lab): Has the Minister made any impact assessment on increasing VAT to 20% on the tourism industry in Wells and elsewhere in Britain?

John Penrose: As I am sure everybody here knows, taxation matters are for the Treasury not for the Department for Culture, Media and Sport. However, I am sure that the hon. Lady realises that any attempt to try to reduce VAT in any one sector will need to come with a fully costed proposal about the impact on this country's large deficit, which we are trying to bring down. Given the impact of deficits in other countries in Europe, it will be

very difficult for anybody, in the short to medium term at least, to advance plans of that kind—without a fully costed proposal—without seeming to be extremely fiscally dangerous to this country's economy.

Philanthropy (Arts)

13. **Amber Rudd** (Hastings and Rye) (Con): What progress he has made on arrangements to support philanthropy in the arts. [26745]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): Our plans to boost philanthropy include boosting corporate philanthropy, incentivising individual giving and boosting giving in the regions as well as in London.

Amber Rudd: Has the Secretary of State considered more specifically how organisations outside London might attract support for their businesses or their charitable organisations, such as Gizmo in my constituency, which provides creative workshops for young people? How can they attract financial support outside London?

Mr Hunt: My hon. Friend raises a very important point. We want to do everything possible to help organisations such as Gizmo, and indeed to help people raise money to support the reconstruction of Hastings pier. The truth is that there is a lot of regional philanthropy; we can look at what Roger de Haan has done in Folkestone, what Sir John Zochonis has done at the Lowry and what Sir Harry Djanogly has done to support the Nottingham Playhouse. But it is not enough. It is much tougher than raising money in London, which is why the package of measures we shall be announcing will aim to make it much easier.

Alison McGovern (Wirral South) (Lab): The Secretary of State knows, as I do, that fundraising and finding philanthropists for the arts and culture is a difficult, although rewarding, job. It is being made much harder by the turbulence caused by Government arts cuts; for example, English Heritage looks set to close its outreach department. Does the Secretary of State think it is realistic to ask even more from a demoralised and decreasing body of staff who are working to save the arts?

Mr Hunt: The hon. Lady is right: this is a very tough period for arts and heritage organisations, and we are doing everything we can to help them weather the storm. In this country, philanthropic giving to culture is £6 per head of population; in America, it is £37 per head of population. We are not America, but we would be neglecting our duty if we did not ask if there were things we could do to boost private giving, and that is what we are doing.

2018 FIFA World Cup

14. **Jessica Lee** (Erewash) (Con): What role the Government has played in supporting the Football Association's bid for the 2018 FIFA World cup. [26746]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): I briefed the Cabinet this morning on our chances for the 2018 World cup bid, and I know the whole House will want to wish the bid team the very best of luck in Zurich this week. I shall be going with my hon. Friend the Minister for Sport and the Olympics. The Prime Minister, the Deputy Prime Minister and the whole Government are wholeheartedly behind the bid.

Jessica Lee: A successful World cup bid would boost support for football right through to local divisions and local clubs. The coalition agreement sets out a commitment to co-operative-run football clubs. Supporters of Ilkeston Town football club in my constituency recently submitted a bid to run the club. Although the bid itself was unsuccessful, the club is now secured under new ownership, but what plans do the Government have to promote community-run football clubs?

Mr Hunt: My hon. Friend raises an important point. We want to see whether it is possible to create an easier pathway for supporters to build up the capital to enable them to take ownership of clubs in a way that does not threaten the investment by other people which has also been so important for the world of football. Obviously, the week before the World cup bid is not the time to bring forward football governance proposals, but we will be looking at the situation very carefully and bringing other measures to the House shortly afterwards.

Ian Austin (Dudley North) (Lab): We are right behind the Government's campaign to bring the World cup to this country, because it would do a huge amount to boost children's interest in sport. It is important that youngsters have good facilities and the right coaching, too. The Government claim that the money for specialist sports colleges is going into un-ring-fenced schools budgets, but is it not the case that the £162 million for the Youth Sport Trust, which funds school sport partnerships, is not being passed over to schools? That money is just being cut.

Mr Hunt: It is not the case. We are committed to a sporting legacy for 2012 for every single child, no matter what their background or what school they go to. The legacy that we had from the hon. Gentleman's Government was four out of five older children not doing any sport at all, and an Olympic-sized hole in the Budget.

Creative Industries

15. **Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): What recent representations he has received on his Department's programmes to assist the creative industries. [26748]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I receive regular representations from across the creative industries—*[Interruption]* I think debate on the previous question is still going on, but I shall try and talk across it—on all aspects of my Department's support. I also work closely with other Government Departments, because I am lucky enough to be a Minister in the Department for Business, Innovation and Skills as well.

Jonathan Reynolds: May I ask the Minister again to look at the issue of tax relief for the computer games industry?

Mr Vaizey: That is a matter for the Treasury.

Topical Questions

T1. [26750] **Mr James Gray** (North Wiltshire) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): As well as wishing every success to the England 2018 bid team this week, we wish every success to Andrew Strauss and the English cricket team in Australia and congratulate him, Jonathan Trott and particularly Alastair Cook on their outstanding performances over the weekend.

Mr Gray: The Government's commitment to rural broadband is laudable, but does the Secretary of State agree that providers make a large profit out of urban provision of broadband, but that in rural areas such as my own they make a large loss? What will he do, therefore, to make sure that the £500-odd million that he is committing to broadband will be spread not equally between urban and rural areas, but especially towards rural areas to help businesses and homes which so badly need it?

Mr Hunt: The money that we have secured from the licence fee settlement is for the part of the country that we believe the market will not satisfy—that is to say, approximately a third of homes including, I believe, homes in his constituency, where we think that left to its own, the market would not provide broadband. We have every confidence that we will have a solution that is not just 2 meg per home, as was the limit of the ambitions of the previous Government, but the best superfast broadband network in Europe.

Mr Ivan Lewis (Bury South) (Lab): I start by wishing the Secretary of State and Team England all the best with their mission this week to secure the 2018 World cup. On that, he and the Government will have our full support.

In relation to youth sport, the Secretary of State must come clean. He has overall responsibility for the future of sport in this country. He briefs the press that he is against the decision to dismantle support for school sport, yet on the record he is silent. Does he support the ending of all funding for the Youth Sport Trust and the dismantling of school sport partnerships—yes or no? Was he personally involved in the decision to transfer two questions on youth sport to the Department for Education so as to limit debate on the issue today? Does he accept that 95% of young people are participating in sport for two hours a week in schools, rather than the figure that he inaccurately quoted just a few moments ago and misled the House?

Mr Hunt *rose—*

Mr Speaker: Order. The hon. Member for Bury South (Mr Lewis) must not accuse a Minister of misleading the House. I assume that he meant to include the word "inadvertently" and I will insert it for him. I think we are clear about that.

Mr Hunt: I thank the shadow Culture Secretary for his fourth question. Let me answer plainly. School sport partnerships are not being dismantled. We are committed to competitive sport, and the legacy of the previous Government was only one in five children regularly playing inter-school sport. To answer the hon. Gentleman's question about older children, yes, in year 7, four in five children are not playing sport at all. We want to do something about it. That is what we want our legacy to be, and that means that we have to do things differently.

T3. [26752] **Robert Halfon** (Harlow) (Con): Following the disappointing decision by the BBC to screen "The Accused", denigrating our British Army, and the subsequent criticism by the head of the armed forces, does the Secretary of State agree that it is time to democratise the licence fee and give licence fee payers a real say over our programming?

Mr Hunt: I understand my hon. Friend's concerns about the issue in question. He will agree with me that in a free country, it is important that the Government should not dictate to our national broadcaster what it says or broadcasts. However, he is right to say that we need to look at governance of the BBC. There is cross-party agreement that the BBC Trust set up by the previous Government has not worked in the way that was intended, and as we come up to the renewal of the BBC charter, we will be looking closely at ways to improve the democratic accountability of the BBC.

T4. [26753] **Bill Esterson** (Sefton Central) (Lab): Can I draw the Secretary of State's attention to Chesterfield high school in my constituency, a specialist sports college which has been told that it has lost its £180,000 grant, and that the money will not go into its main grant? It was something that the Secretary of State for Education did not deny last week when I put a similar point to him about the situation throughout the country. Does the Culture Secretary agree that a cut in specialist sports grants will lead to a reduction in the number of young people taking part in sport?

Mr Hunt: First, although I do not know exactly what happens in Chesterfield, I have no reason to believe that the work done by school sport partnerships is not excellent there as well. School sport partnerships can continue; however, the philosophy of this Government is to devolve responsibility for budgets to heads, because we think that they are best placed to know how their money should be spent. In Chesterfield, as, I am sure, in large parts of the country, I have every confidence that heads will decide to continue to support their school sports partnerships.

T5. [26754] **Mr David Amess** (Southend West) (Con): With a number of countries already considering basing their camps in Southend for the Olympic games, and with our new diving facility opening tomorrow, does my right hon. Friend agree that Southend pier, the longest in the world, should, via a fireworks display, be included in the opening and closing ceremonies for the Olympics?

The Minister for Sport and the Olympics (Hugh Robertson): I congratulate my hon. Friend on everything being achieved in his constituency to promote sport and, indeed, the London Olympics, and I am absolutely delighted that the local authority is going to lay on a fireworks display. I have no doubt that it will be the equal of anything we saw in Beijing a couple of years ago, and I wish him every good fortune with that.

T6. [26755] **Michael Dugher** (Barnsley East) (Lab): Is the Minister aware that cuts in central Government support disproportionately hurt areas such as Barnsley, where council tax receipts are low and needs are higher? That is why the local authority is being forced by this Government to look at library closures. Meanwhile, in Surrey, council tax receipts are very high, so local authorities are less reliant on central Government and are not looking at library closures. Is that fair, and why are the Government creating a postcode lottery in library provision?

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): The Government are not creating a postcode lottery. Many excellent local authorities throughout the country—regardless of their relative wealth—provide absolutely fantastic libraries, and with a little imagination and, perhaps, by participating in our future libraries programme Barnsley, too, can provide a 21st-century library service for the hon. Gentleman's constituents.

Alun Cairns (Vale of Glamorgan) (Con): Can the Secretary of State confirm that there will be no change to the chairmanship of S4C? Does he recognise the insecurity that some S4C authority members are causing staff, and can he confirm the Government's commitment to an S4C that is operationally and editorially independent?

Mr Hunt: I can absolutely confirm this Government's wholehearted commitment to an S4C with its own distinct identity, operational independence and the support and expertise of our most important and largest national broadcaster. I urge the authority to clear up the confusion over the leadership at S4C as soon as possible, because it owes nothing less to the people of Wales.

T7. [26756] **Karl Turner** (Kingston upon Hull East) (Lab): Given the Secretary of State for Education's disgraceful announcement that £160 million will be cut from school sports funding, what plan does the Sports Minister have to compensate children in my constituency whose health and well-being will suffer as a result of his Government's policy?

Mr Hunt: Our plan for the children in the hon. Gentleman's constituency, as for the children in every constituency, is that more of them will do sport, more of them will do competitive sport, and we will have stronger, more effective, bottom-up school sports partnerships.

Jo Swinson (East Dunbartonshire) (LD): Top Commonwealth games officials are meeting in Glasgow today to discuss the preparations for the 2014 games, including how to avoid the dreadful problems that we saw in the run-up to Delhi. Can the Secretary of State confirm that the 2012 Olympics team is similarly learning the lessons from Delhi, and that his Department will give the teams for 2012, 2014 and, if things go well, 2018 every possible support?

Hugh Robertson: The simple answer is yes. It is fair to say, and I will always say, that the Commonwealth games in Delhi were always going to be pretty tricky, because they were up against a very tight construction timetable, the security situation was extremely oppressive and the monsoon was unusually heavy and ran late. I am glad to say that none of those problems affects the delivery of the London 2012 Olympics, nor I am sure—even though it rains quite a lot in Glasgow—will they affect the Glasgow 2014 Commonwealth games.

T8. [26757] **Mr Jim Cunningham** (Coventry South) (Lab): Is the Secretary of State aware that people, certainly those in Coventry and the rest of the west midlands, will be dismayed that the Youth Sport Trust and school youth services are going to be wound up? Have the Government not got form on that? I do not want to get the answer that it is all the fault of the previous Government; in the '80s and '90s, the right hon. Gentleman's Government sold off school fields and the youth service as well.

Mr Hunt: With respect to the selling of school playing fields, both the last Conservative Government and the last Labour Government were at fault. We are doing something to put the situation right, which is why my hon. Friend the Minister for Sport and the Olympics announced a £10 million fund to put playing fields into trust. We have done something; the other side talked about it.

With respect to competitive sport in schools, it is our ambition and determination to increase the number of children who do competitive support from the woefully low levels that we inherited.

Justin Tomlinson (North Swindon) (Con): Will the Minister encourage local authorities to explore shared services and facilities to help protect and enhance community libraries?

Mr Vaizey: Absolutely. I commend Swindon borough council, which has moved one of its libraries into an arts centre and seen attendances rise. Perhaps the hon. Member for Barnsley East (Michael Dugher) can take that experience back to his council.

Barbara Keeley (Worsley and Eccles South) (Lab): It is known that a proportion of girls and young women dislike competitive sport, and that reduces their participation levels compared with boys and young men. If we are to ensure that the Olympic legacy meets the needs of all young people, what is the Government's policy to increase participation among young people who just do not like competitive sport?

Hugh Robertson: I am glad to tell the hon. Lady that precisely those plans are contained in the Sport England plan "People, Places, Play". It is also worth mentioning that at schools benefiting from the pupil premium, precisely those groups will be able to benefit. Indeed, the early evidence is that schools that have had extra money from the academies programme have spent it on sports equipment.

Several hon. Members *rose—*

Mr Speaker: Order. We must move on.

Hon. Members: What about points of order?

Mr Speaker: Points of order come after Question Time and statements, so there will be an opportunity for them later.

LEADER OF THE HOUSE

The Leader of the House was asked—

Scrutiny

1. **Mr Philip Hollobone** (Kettering) (Con): If he will assess the effectiveness of (a) oral questions to the Leader of the House and (b) the weekly Business Question as an opportunity for scrutiny. [26722]

The Leader of the House of Commons (Sir George Young): I believe that both procedures provide an effective opportunity for hon. Members to hold the Government to account for their management of the business of the House.

Mr Hollobone: My right hon. Friend is open to more parliamentary scrutiny on the Floor of the House than any other Minister of the Crown. Will he support my proposals for this present Question Time slot to be merged with his business questions? Together with other consequential changes in the oral questions timetable, that would lead to more time being available for questions to the Department for Transport.

Sir George Young: I am grateful to my hon. Friend for that suggestion. If this slot was moved from where it is at the moment, it would not advantage the Department for Transport but the Department for Culture, Media and Sport, from which we have just heard. The answer to my hon. Friend is this. Within three years, we will be moving towards a House business Committee. At that point, it will make sense to look at how we deal with the whole issue of business questions in the light of new arrangements for that responsibility.

Private Members' Bills

3. **Duncan Hames** (Chippenham) (LD): What assessment he has made of proposals for proceedings on private Members' Bills to take place on days other than Fridays. [26724]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): The Procedure Committee has recently announced that it will conduct an inquiry into the parliamentary calendar that could consider the issue of private Members' Bills taking place on a day other than Friday. As my right hon. Friend the Member for East Yorkshire (Mr Knight) has indicated, right hon. and hon. Members will have an opportunity to make representations on the issue.

Duncan Hames: I have written to the Chair of that Committee accordingly. Without a sufficient number of Members on Fridays, private Members' Bills are at the mercy of obfuscation, filibusters and even poetry—tactics that only damage the reputation of the House. Will the Leader of the House explore ways to protect private Members' Bills from such antisocial behaviour?

Mr Heath: I am quite sure, Mr Speaker, that in your capable hands and those of your deputies there is no question of filibustering on Fridays. Poetry, however, there may be. Whether that is antisocial or otherwise is for Members to judge. Clearly, procedural devices are sometimes used on Fridays. Any move to remove some of those devices would be a matter for the House rather than for the Government.

Helen Jones (Warrington North) (Lab): Does the Deputy Leader of the House agree that whatever day is chosen for private Members' Bills, it is important that opinion on those Bills is tested in the Lobby, not talked out by dubious practices such as speaking for an hour and 39 minutes on a two-clause Bill or quoting what was very bad poetry? What can he do to protect the rights of Back-Bench Members with regard to their private Members' Bills? Will he give the House an assurance that the Government will not use these tactics to block debate on the Gangmasters Licensing (Extension to Construction Industry) Bill, which is of vital importance for safety in the construction industry?

Mr Heath: I remember a very frustrating period of my life in the last Session of Parliament when I had a private Member's Bill—a very important one about fuel poverty—and it seemed to me that some Members on the Government side, including the Minister, spoke at rather greater length than I had expected to avoid its making further progress. I therefore understand the point that the hon. Lady is making. I repeat, however, that this is a matter for the Procedure Committee to look at, and I am sure that she will make her observations known to that Committee.

John Cryer (Leyton and Wanstead) (Lab): Does the Deputy Leader of the House accept that a precedent for this arose during the passage of the City of London (Ward Elections) Bill, when the then Government used regularly to split business during a Monday or Tuesday evening to leave three hours for discussion of that Bill? It was a private Bill rather than a private Member's Bill. Personally, I think it was a rotten Bill, and I would rather have hacked my head off than vote for it. Nevertheless, it established a precedent, and surely private Members' Bills could be treated in the same way.

Mr Heath: I really cannot support the process of head hacking as a way of expressing dissent with what was, I think, a Bill supported by the Government of the party of which the hon. Gentleman is a member. There is a slightly different procedure for private Bills as opposed to private Members' Bills. Again, the points that he makes should be made to the Procedure Committee, which can then take them into account when coming back to the House with recommendations.

Orientation Programmes (General Election)

4. **Greg Hands** (Chelsea and Fulham) (Con): What discussions he has had with the House of Commons Commission on the effectiveness of orientation programmes for hon. Members after the May 2010 general election. [26725]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): My right hon. Friend the Leader of the House has had no specific discussion with the Commission on this subject, but I am sure that the whole House, particularly hon. Members elected for the first time in May this year, will wish to join me in thanking the staff of the House for the considerable effort that went into delivering the induction programme.

Greg Hands: My hon. Friend has spoken about the great successes of the programme earlier this year for new Members, but surely he must agree that existing Members should not be overlooked. I note that there is one Member who has spoken here only once since the election, has tabled no questions, and has made only five of the 131 votes that he might have made. Will my hon. Friend agree to have a word with the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), assuming that he can be found, and perhaps suggest that some orientation might be needed?

Mr Heath: I am sure, Mr Speaker, that it would be invidious to discuss the attendance record of any individual Member. It does worry me, I have to say, if some Members have problems reconciling the competing pressures of writing books and making well-paid speeches with their duties in this House. However, I hope that in the context of the present economic situation, those with particular experience of, say, ending boom and bust will feel able to contribute to our debates.

Standing Orders (Affirmative Resolution)

5. **Paul Blomfield** (Sheffield Central) (Lab): What recent discussions he has had on the adequacy of the provisions in Standing Orders for debates on the Floor of the House on instruments subject to affirmative resolution. [26726]

Mr Heath: Standing Order No. 118 provides that an instrument subject to affirmative resolution shall not be referred to a Delegated Legislation Committee if a Minister has given notice of a motion to that effect. I believe that this is adequate to ensure that an instrument can be debated on the Floor of the House when there is agreement to do so.

Paul Blomfield: I thank the Deputy Leader of the House for his answer. Does he agree, however, that we will putting the cart before the horse if we debate the statutory instrument on university funding before the publication of the Government's White Paper on higher education, simply to alleviate the discomfort of Liberal Democrat MPs?

Mr Heath: That puts me in some difficulty, because I understood that the Opposition had tabled a motion on this very subject for next week, before the White Paper is published, so Opposition Front Benchers obviously do not agree with the hon. Gentleman.

HOUSE OF COMMONS COMMISSION

The hon. Member for Caithness, Sutherland and Easter Ross, representing the House of Commons Commission, was asked—

Speaker's Conference

6. **Jo Swinson** (East Dunbartonshire) (LD): What progress the House of Commons Commission has made in implementing the recommendations made to it by the Speaker's Conference on Parliamentary Representation. [26727]

Mr Frank Doran (Aberdeen North) (Lab): I will answer for the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso). The House authorities have continued to work on those recommendations that fall within the remit of the House administration. For instance, new educational resources for schools have been produced to reflect changes in the new Parliament and are available free to Members and schools in hard copy and online.

Jo Swinson: I welcome the hon. Gentleman to his new role on the House of Commons Commission. It is excellent news that since the Speaker's Conference, the parliamentary nursery has opened. The Speaker's Conference recommended action on another barrier to MPs who are parents of young children, which was to consider allowing young babies to accompany their MP parent into the voting Lobby. Surely that small, sensible change is preferable to the current situation, whereby babies are left in Whips' offices during votes.

Mr Doran: A proposal on that issue is being considered by the Speaker and by the Commission, and that will be pursued.

LEADER OF THE HOUSE

The Leader of the House was asked—

Welsh Grand Committee

7. **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): What recent representations he has received on the Welsh Grand Committee's effectiveness as a forum for discussing Government policy as it relates to Wales. [26728]

The Leader of the House of Commons (Sir George Young): Hon. and right hon. Members, including the right hon. Gentleman, have made recent representations to me on this issue. I believe that the Welsh Grand Committee provides an effective forum for Members representing constituencies in Wales to debate matters that relate exclusively to Wales.

Alun Michael: I agree with the Leader of the House, but the Committee cannot be effective if it does not meet. He has always shown enormous respect for the conventions of the House. As a former Secretary of State for Wales, I think that previous Conservative and Labour Secretaries of State for Wales have shown respect to the convention of working consensually with all parties to arrange meetings and topics for debate. Will the Leader of the House have a gentle word with the current Secretary of State for Wales to persuade her of the benefits of such a consensual approach?

Sir George Young: No one is more in favour of consensus than myself. The Welsh Grand Committee will have its second meeting of the Session this week. That makes two meetings in six months. In 2005, it met once in the Session, in 2006, it met twice and in 2007, it met once. Our record is better than that of our predecessors.

HOUSE OF COMMONS COMMISSION

The hon. Member for Caithness, Sutherland and Easter Ross, representing the House of Commons Commission, was asked—

Network Services (Regional News)

8. **Diana Johnson** (Kingston upon Hull North) (Lab): What progress has been made on upgrading network services to enable access by hon. Members to regional televisions news programmes on the Parliamentary Estate. [26758]

Mr Frank Doran (Aberdeen North) (Lab): It is already possible to view the regional television news content and services that broadcasters make available on their websites, via the internet. In addition, the annunciator screens carry national and international television news.

Diana Johnson: I thank my hon. Friend for that answer. It seems strange that Members can watch subscription sports channels on the network, but cannot access our regional news programmes. Can this matter be considered again, because most of my constituents expect me to be up to date with regional as well as national news.

Mr Doran: As a Scot, I understand the hon. Lady's problem. We have two systems. One is the television system, the main function of which is to provide annunciator services and the feed from the two Chambers. The second is the internet. The television system has only 23 channels. I am not sure how many regional news programmes there are, but it would not be possible to have them all on the system. However, they are all on the internet, which is part of the House service.

Mr Speaker: Luciana Berger? No. I therefore deem that it is time for the statement.

Autumn Forecast

3.28 pm

The Chancellor of the Exchequer (Mr George Osborne): I would like to make a statement regarding the Office for Budget Responsibility's first autumn forecast. I will also, with your permission, Mr Speaker, inform the House about further measures that the Government are taking to support economic growth, including the new growth review launched today and a far-reaching programme of reforms to our corporate tax system. Following yesterday's announcement by European Finance Ministers, I would like to take the first opportunity to update the House about the Irish situation and the UK's involvement.

Copies of the OBR's autumn forecast were made available in the Vote Office earlier today. We should take a moment to recognise the significance of this occasion and the practical demonstration of this Government's commitment to transparency and independent forecasting. Today is the first time that Members of this House will engage in debate about an autumn forecast produced by the independent Office for Budget Responsibility, rather than conjured up by the Chancellor of the Exchequer, and available to read two hours before the statement. This is also the first forecast by the new independent chair of the OBR, Robert Chote, with the other members of the budget responsibility committee, Stephen Nickell and Graham Parker, whose appointments were approved by all Treasury Committee members from both sides of the House. As a result, I am sure the country can have full confidence in the independence of these forecasts.

The OBR report published today includes some 150 pages of information—an unprecedented level of detail and transparency, much of it of the kind available to previous Governments but never before published. I should like to thank the budget responsibility committee and the staff of the OBR for their hard work in putting together this autumn forecast. I hope that we now entrench this major improvement in the making of fiscal policy by passing the legislation currently before Parliament.

Although today's figures are of course independent, they are still just forecasts, and we must treat them with a degree of caution, as one should treat any economic forecast. Indeed, the OBR is explicit about that, illustrating the uncertainty surrounding any economic forecasts with the use of fan charts rather than claiming the infallible certainty that my predecessors asserted when they provided their forecasts. The only thing that was infallible and certain was that those political forecasts were usually wrong.

With that caution in mind, let me turn to the forecast. After the deepest recession since the war, the greatest budget deficit in our peacetime history and the biggest banking crisis of our lifetime, recovery was always going to be more challenging than after previous recessions, but the message from the Office for Budget Responsibility is that Britain's economic recovery is on track. The economy is growing, more jobs are being created and the deficit is falling. Its central forecast is for sustainable growth of over 2% in each of the next five years, and employment rising in each and every year. Indeed, employment and gross domestic product are higher in every quarter and every year than in the June forecast.

At a time when markets are gripped by fears about Government finances across Europe, today we see that the Government were absolutely right to take decisive action to take Britain out of the financial danger zone. Britain is on course both to grow the economy and balance the books, something that some people repeatedly said could not happen.

Let me take the House through the detail of the forecast. The forecasts for the economy are broadly in line with those produced for the June Budget, despite the more challenging international conditions. I should also like to point out that they are very similar to the European Commission forecasts for the UK, which also happened to be published today. Indeed, the European Commission today forecast that Britain would grow faster over the next two years than Germany, France, Japan, the United States of America and the average for the eurozone and the European Union.

The OBR forecasts real GDP growth of 1.8% this year, 2.1% next year, 2.6% in 2012, 2.9% in 2013, 2.8% in 2014 and 2.7% in 2015. Growth this year is now expected to be considerably higher than was forecast in June. In the OBR's judgment, some of that improvement is likely to be permanent and some of it a temporary impact of stock-building. As a result, it forecasts that the rate of growth next year will be 0.2 percentage points below its forecast in June. It also predicts above-trend growth for the four years after that, but the level of GDP, or indeed the overall size of our economy, is forecast to be about half a percent higher next year than was forecast in June, and indeed higher throughout the whole forecast period.

Some have made predictions of a so-called double-dip recession, and although the OBR points out that

"growth has been volatile, as this is a common characteristic of post recession recoveries",

its central view is that there will be no double-dip recession. Its forecast is growth next year of more than 2%, and it expects that in the slowest quarter of growth, the first quarter of next year, it will be 0.3%, rising back to 0.7% by the last quarter of next year. It also forecasts that consumer prices index inflation will fall from 3.2% in 2010 to 1.9% in 2012, once the short-term effects of the VAT rise and other temporary factors fall away.

Crucially, the OBR forecasts a gradual rebalancing of the economy as we move away from an economy built on debt to one in which we invest and export—again, something that some people said would not happen. It expects more demand to come from business investment, which is set to grow by over 8% for each of the next four years, as well as exports, which are expected to grow on average by over 6% per year. That new model of sustainable economic growth will rebalance the economy towards investment and exports and away from an unhealthy dependence on private debt and public deficit. It will bring to an end the unsustainable situation that saw families save less and less each year, so that they ended up, in the words of today's report,

"effectively borrowing money to purchase increasingly expensive houses."

The OBR also published today a full forecast for the labour market—something that, I should like to point out, previous Chancellors chose not to do. Employment is forecast to grow in every year of this Parliament. Total employment is expected to rise from 29 million to

30.1 million—that is over 1 million additional new jobs. Thanks to faster-than-expected growth in the economy, the OBR now expects the unemployment rate to be slightly lower this year at 7.9%, instead of 8.1%. Its forecast for the unemployment rate for next year is unchanged from the June Budget at 8%. For future years, the OBR predicts a gradual decrease in unemployment, with the rate falling every year. By the end of the Parliament, the OBR forecasts that it will fall to just above 6%, which is about 500,000 fewer unemployed people than at the beginning of this Parliament.

The trend in the claimant count is similar to that for the internationally recognised labour force survey measure of unemployment. However, the level is expected to be higher. The OBR explained that the revision is mainly due to a change in the way that flows from employment and support allowance on to jobseeker's allowance will take place as a result of the new work capability assessment. In other words, more people are assumed to be flowing off ESA and on to JSA. That is a key part of our reforms to create a welfare system that encourages people to seek work and reduce costs to the taxpayer. In short, we will stop hiding people who can work in the incapacity statistics. Crucially, in each year, fewer people are expected to be on both of those out-of-work benefits combined than in the June forecasts.

I can also tell the House that following the spending review the OBR has recalculated its estimate of the reduction in the headcount in the public sector. In June, the OBR forecast a reduction in headcount of 490,000 over the next four years; in its latest forecast, that estimate has come down to 330,000—a reduction of 160,000. The bulk of that revision results from the action that we have taken to cut welfare bills rather than public services. Our difficult choices on child benefit, housing benefit and other benefits, each of which the Labour party opposed, mean that fewer posts will be lost across the public sector. Those headcount reductions that still need to take place will happen over four years, not overnight, and the OBR forecast is that private sector job creation will far outweigh the reduction in public sector employment. Its forecast states:

"A period of rising total employment alongside falling general government employment is in line with employment trends during the 1990s"

when total employment increased by 1.3 million over six years while general government employment fell by about 500,000.

The most important point is this: the lesson of what is happening all around us in Europe is that unless we deal decisively with this record budget deficit, many thousands more jobs will be put at risk in both the private and the public sectors.

Let me summarise the forecast for the public finances, which shows that Britain is decisively dealing with its debts. Borrowing this year is expected to be £1 billion less than was forecast in June. The OBR forecasts that public sector net borrowing will fall from £148.5 billion this year to just £18 billion in 2015-16. Government debt as a share of GDP is projected to peak just below 70% in 2013-14 and then to fall to 67% by 2015-16, so the debt ratio is now expected to peak at a lower point compared with the June forecast—just below 70% instead of just above it.

On the OBR's central forecast, we will meet our fiscal mandate to eliminate the structural current budget deficit one year early, in 2014-15. The same is true for our target to get debt falling as a percentage of GDP. Indeed, to use the OBR's own words,

"the Government has a slightly wider margin for error in meeting the mandate than appeared likely in June."

For the first time, the OBR has also tested the resilience of the fiscal mandate against two alternative scenarios for the economy that critics have put forward, and in both cases the mandate is met.

It is clear that our decisive actions have proved to the world that Britain can live within her means. The Government have taken Britain out of the financial danger zone and set our economy on the path to recovery. That is the judgment not only of the OBR, but of the International Monetary Fund, the OECD, the European Commission, the Bank of England and all the major business organisations in this country. Already, our efforts are paying off. Today's forecasts show that the cost of servicing the Government's debt has come down. Compared to the June forecast, the OBR predicts that we will save £19 billion in interest payments between now and the end of the forecast period. That is £19 billion that will no longer be paid by British taxpayers to private bondholders and foreign Governments. It is £19 billion that would have been wasted, but will instead be saved.

This is an uncertain world, but the British recovery is on track. Employment is growing, 1 million more jobs are being created and the deficit is set to fall: the plan is working, so we will stick to the course. That is the only way to help confidence to flourish and growth to return, and I urge those who seriously suggest, when they see what is happening to our neighbours across Europe, that we should abandon the decisive plan we are following, and instead borrow and spend more, to think again. What they propose would be disastrous for the British economy, would put us back in the international firing line we have worked so hard to escape from and would mean higher deficits and jobs lost, and we should reject that path.

Stability is a necessary precondition for growth, but it is not enough. Our economy's competitiveness has been in decline for more than a decade, undermining its ability to create jobs and grow, which is why we have already announced four annual reductions in corporation tax, axed the jobs tax, cut the small companies rate, expanded loan guarantees, simplified health and safety laws, invested in science and apprenticeships and promoted exports through major trade missions.

Let me set out some of the other things that my right hon. Friend the Secretary of State for Business, Innovation and Skills and I are announcing today to support growth and a rebalancing of our economy. In the Budget, I set out a plan to reduce the main rate of corporation tax to 24%—its lowest ever rate—demonstrating our commitment to tax competitiveness. I can now tell the House that today we are publishing the most significant programme of corporate tax reforms for a generation, for consultation with the business community. We propose to make the UK an even more attractive location for international business and investment by reforming the outdated and complex rules for controlled foreign companies. We have seen a steady stream of companies leaving the UK in recent years, and this Government, unlike the last one, are not content to sit by and watch our competitiveness leach away and our corporate tax base be undermined.

[Mr George Osborne]

Another tax issue of crucial importance to our corporate sector is the tax treatment of income from intellectual property. For a long time, we have argued that we should increase the incentives to innovate and develop new products in this country, so to encourage high-tech businesses to invest in the UK and to create high-value jobs here, we can confirm that we will introduce from April 2013 a lower 10% corporate tax rate on profits from newly commercialised patents. We have been consulting the business community, and I can tell the House that as a result of this measure, GlaxoSmithKline will today announce a new £500 million investment programme in the UK, including new manufacturing in Hertfordshire; a £50 million venture capital fund to invest in health care research; a new facility at the university of Nottingham to develop green chemistry technology; and the building of GlaxoSmithKline's next biopharmaceutical plant in this country, with sites in the north of England and Scotland under consideration. In total, it estimates that 1,000 new jobs will be created in the UK over the lifetime of these projects.

Today, we are also launching a cross-government growth review. This will be a determined, forensic examination of how every part of Government can do more to remove barriers to growth and support growth opportunities. Too often, the natural inclination of Government is in the opposite direction, creating new regulations, putting up new barriers, and making life more difficult for entrepreneurs and innovators. We are starting to turn the super-tanker around. Together with the Department for Business, Innovation and Skills, the Treasury will lead an intensive programme of work, involving all parts of Government, using evidence provided by the business community and reporting by next year's Budget. We will identify reform priorities that can benefit the whole economy. Specific priority will be given to improvements to the planning system and employment law, more support for exporters and inward investment, and reforms to the competition regime. At the same time, we will begin a new sector-by-sector focus on removing barriers to growth and opening up new opportunities. Some of the resulting changes will be substantive on their own; others will help particular industries in specific ways. Some changes may be controversial if they confront vested interest, but brick by brick we will remove the barriers that are holding Britain back.

Finally, I would like to update the House on the international assistance package for Ireland. I attended the various European meetings in Brussels yesterday. We agreed a three-year package for Ireland worth €85 billion, which is

> "warranted to safeguard financial stability in the euro area and the EU as a whole."

Of that, €35 billion will be used to support Ireland's banking sector, with €10 billion going towards immediate bank recapitalisation and €50 billion being used for sovereign debt support. Ireland will contribute €17.5 billion towards the total package, and the remaining €67.5 billion will be split, with one third coming from the IMF, one third from the European financial stability mechanism, and one third from bilateral loans and the eurozone facility. The terms of the IMF loans will be determined over the coming weeks. In principle, our bilateral loan is for £3.25 billion, and we will expect the loan to be denominated in sterling. The rate of interest on the loan will be similar to the rates levied by the IMF and the eurozone. The loan to Ireland is in Britain's national interest. It will help one of our closest economic partners manage its way through difficult conditions.

I should also tell the House that the eurozone Finance Ministers met without me to discuss a permanent financial stability facility. I made it clear in the subsequent ECOFIN meeting that the UK will not be part of that. The president of the euro group made it clear that the UK will not be part of the permanent bail-out mechanism, and that the European financial stability mechanism, which was agreed under the previous Government in May and of which we are part, will cease to exist when that permanent eurozone mechanism is put in place.

When we came into office, Britain was in the financial danger zone. Our economy was unstable, our public finances out of control, our country—*[Interruption.]*

Mr Speaker: Order. The Chancellor must be heard.

Mr Osborne: Our economy was unstable, our public finances were out of control and our country was on the international watch list to avoid. We took decisive action. Now, the independent Office for Budget Responsibility has confirmed that the British recovery is on track, our public finances are under control, 1 million jobs are set to be created and our economy is rebalancing. Today we are taking further measures to secure growth and create prosperity. We are doing so based on the foundation of stability that we have now secured. Britain is on the mend, and I commend this statement to the House.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): Let us move from bombast to reality. Here is what the OBR says:

> "As we discussed in Chapters 3 and 4, past experience and common sense suggest that our central forecasts for both the economy and the public finances are almost certain to be wrong and that there are upside and downside risks to both."

The only question is on which side of wrong they actually fall.

This Government have committed our country to a rate of fiscal consolidation that has been attempted only twice in living memory, and on both occasions by countries that benefited from strong growth in a benign global environment. In the current economic crisis, no country other than Ireland has attempted to cut so deeply, so quickly. The Chancellor is always telling us that we have the highest fiscal deficit in the G20. That is not true: the US has a proportionally higher fiscal deficit than ours, and the Americans plan to reduce it by less than half over the next five years. Japan, which has roughly the same level of deficit, has learnt from its experience over the past 10 years and plans to cut by less than a quarter. The Chancellor has chosen to take an unprecedented gamble with people's livelihoods and the country's future, and he has done so on the basis of a fundamental deceit: that when he assumed office, the public finances were worse than expected. The OBR exposed that deceit last year, and it has confirmed it today, so will the Chancellor now tell all those Back Benchers behind him—all those Tories who claim to their constituents that things are worse than they expected, and of course those who tell them that they have never

had it so good—that they will have to find a new excuse? Nothing in his statement today can hide the fact that it was the balanced approach of my right hon. Friend the Member for Edinburgh South West (Mr Darling)—[HON. MEMBERS: " Where is he?"] Snowed in, in Scotland, probably. It was the balanced approach of my right hon. Friend that saw growth return at the beginning of the year, saw the recovery gain momentum and led to nearly 1 million fewer people claiming out-of-work benefits than predicted. That was the previous Chancellor, not this one.

As expected, the OBR has produced a higher growth forecast for this year than at the time of the emergency Budget, but this is the result of an approach that this Government have rejected. The reckless gamble that coalition Members support is still to come; the Chancellor is in the casino, but he has not yet spun the wheel. The OBR's judgment of the future matters more than its revised forecast for a year that is almost over.

Does the Chancellor accept that the OBR does not expect the fast momentum built up this year to be maintained? Indeed, it is explicit in saying that it expects a slow recovery. Next year, as spending cuts begin to take effect and the VAT hike dampens demand, the OBR is revising its growth forecast down from 2.6% before the emergency budget to 2.3% immediately afterwards and to 2.1% now—it is going south. Looking beyond next year, the forecast for growth over the first four years of the recovery is reduced to an average of 2.4%. This compares with a 3.1% average growth in the far from pain-free recoveries from the two Tory recessions in the 1980s and 1990s. That growth was largely driven by growth in the financial sector and in public services, neither of which will be in a position to help this time.

Lower growth means fewer jobs, and in this weak recovery the OBR, having changed its mind, is now forecasting something that the Chancellor could not bring himself to say—namely, that unemployment will rise next year. It no wonder that the Conservative-led Local Government Association pointed out last week that front-loading cuts in local authorities will lead to 140,000 job losses next year, which is much higher than originally expected. The Chartered Institute of Personnel and Development estimates that the increase in VAT on 4 January will cost 250,000 jobs, more than three times as many as our proposed increase in national insurance, which the Conservatives called a tax on jobs.

The Chancellor tells us that public sector jobs will be protected by his decision to cut welfare benefits, but this works both ways: can he tell the House what the additional hit to private sector jobs will be from those welfare changes? For families up and down this country, a jobless recovery will be no recovery at all. This Government have no interest in protecting jobs, no alternative measures if the gamble fails and, worst of all, no plan for jobs. Indeed, since just last week their growth plan has actually shrunk, from a White Paper that was supposed to contain proposals, to today's promise to talk: there will now be a debate, a discussion.

The Government's plans rely on a huge increase in exports and business investment. Let us hope they materialise. But it is a gamble to assume that cuts on the scale envisaged, with cyclically adjusted public borrowing reduced by 8% of gross domestic product in just five years, will automatically be compensated for by exports. Exports need markets, and there is nothing to suggest that the global economic climate will assist us in achieving the kind of boost to growth that we have not seen for 60 years.

The Chancellor talked about his plans for corporation tax. Everyone wants a tax system that supports business, but he has abolished investment allowances for manufacturing to pay for a cut in corporation tax that will give a further £1 billion to the banks. Can he tell us what sense there is in helping companies that make large profits for little investment, at the expense of businesses that will invest heavily in the UK? We were very pleased to hear his announcement on GlaxoSmithKline and the patent box. We were pleased because that was our proposal. It was me, as Secretary of State for Health, with the former Business Minister, Lord Dyson, who argued for that in Cabinet. That is why it was in last year's pre-Budget report. It is an excellent proposal. It was a Labour proposal.

Here is an idea for the Star Chamber that the Government are going to form. Why not help UK advanced manufacturing in the civil nuclear supply chain by giving an £80 million loan to Sheffield Forgemasters? That is an idea that they can chew over for the next four months.

The Chancellor talked about developments relating to Ireland. As I said last week, we support the financial assistance offered to Ireland, but the lessons of Ireland cannot be ignored. As a *Financial Times* leader said last week,

"a slower pace of consolidation might have been its best bet at encouraging growth."

That is a lesson for us as well.

The Chancellor's analytical ability in respect of Ireland was demonstrated in his 2006 article, which has been widely quoted, but in 2008, just two years ago, confident that Ireland would not be affected by the financial crisis that was just emerging, he said that Ireland now had

"a 'future fund' of assets built to provide security against future shocks and liabilities. Their public finances are well placed. Their competitiveness has risen. Their institutions are stronger."

Ireland had

"used the fat years to prepare for the lean years."

The Chancellor was wrong about Ireland, and he is wrong about the United Kingdom. The autumn statement does nothing to alleviate the summer madness that led him to gamble so recklessly with our future.

Mr Osborne: I think the shadow Chancellor made the mistake of writing his response before he had seen the OBR's forecast. He predicated all of it on there somehow being lower growth, when in fact growth is higher in every quarter and every year than was predicted in the June forecast. I assume that he also wrote his response before the European Commission produced its forecast today. I am sure that he has now seen it. He read out a list of countries, but the European Commission predicts that over the next two years we will grow more quickly than Germany, France, the United States of America, Japan, the eurozone and the EU average. If one is going to read out a list of countries, one might as well start with the most accurate and recent forecast for their economies.

As I have said, the shadow Chancellor's response was not much of an analysis of what the OBR has said today. He skated over the fact that because of the

[Mr George Osborne]

welfare changes that we have introduced, we have been able to reduce the public sector headcount reduction that is required by any deficit reduction plan—including, presumably, the plan that he will one day propose. He should at least acknowledge that the welfare changes achieve that. He and the leader of his party have some important choices to make in the next few months as we vote on some of these measures. They must decide whether they will support welfare reform or would rather see a higher number of public sector job losses, but that will be a decision for them.

The shadow Chancellor said that he did not believe in the rebalancing of the economy, and that the assumptions for exports and investment that I had made were fanciful. They are, of course, the estimates made by this independent body, the appointment of whose members, as I have said, was ratified by the Treasury Committee. The shadow Chancellor accused me of having no alternative measures to present. I thought that that was a bit of a cheek, because as far as I can tell the Labour party has a blank sheet of paper as its new economic policy. He talked of the importance of protecting intellectual property and supporting the growth of patents, and then praised, I believe, James Dyson. The last time I checked, it was we, rather than the shadow Chancellor, who had consulted him, but so be it.

Alan Johnson: Lord Drayson.

Mr Osborne: Ah. Well, I am sure that Lord Drayson also had some interesting things to say. *[Interruption.]* I welcome, by the way—*[Interruption.]*

Mr Speaker: Order. Members really must calm down. Only this morning I was talking to sixth-formers, one of whom observed that the noise in the Chamber was totally off-putting. The public loathe it, and so do I. Let us put an end to it.

Mr Osborne: I welcome the support that the Opposition have given to our decision to offer a bilateral loan to Ireland. We will have to put legislation before the House, and I will of course keep the shadow Chancellor informed of the details when they are negotiated along with the IMF, eurozone and other bilateral contributions. I should have mentioned that Sweden and Denmark have also provided bilateral loans.

I come back, however, to the point that this forecast shows 1 million new jobs being created over the next four or five years. It also shows growth of over 2% in each year; it shows the economy rebalancing; it shows Britain getting to grips with its debts. Yet all the shadow Chancellor could come up with was this: he said he had read a *Financial Times* editorial in the last week—and I note from his interview this morning that that is how he does his homework; he says he photocopies articles from the FT. Well, I went one better and actually got a copy of the FT, and he said this in his FT interview this morning:

> "I am a great believer in the philosophy that if you've not got anything to say, keep your mouth shut".

Very good.

Mr Speaker: A lot of Back Benchers want to say something and I would like to accommodate them, but there is important business to follow in the form of Backbench-led debates, so brevity is of the essence from the Back Benches and the Front Benches alike.

Mr Andrew Tyrie (Chichester) (Con): In June, the Red Book was forecasting that the savings ratio would remain broadly steady at about 6% for the next five years, which is quite near its long-run average for the previous 40 years. On page 67 of the most recent document however, the new forecast assumes a fall in the savings ratio to just over half that, and for the remainder of the Parliament, at only 3%. Is the Chancellor worried about that fall in the savings ratio, and will he consider measures to address it?

Mr Osborne: Yes, I have, of course, seen the forecast for the savings ratio and we will want to address it. It has the savings ratio returning to its average of before the recession, and I think all parties in this House, and certainly the Government, will want to find ways of encouraging saving more effectively than was the case in the past, and to address that particular problem.

Margaret Hodge (Barking) (Lab): What is the forecast for the gap between the richest and the poorest in Britain by 2015? Do the Chancellor and the OBR expect it to grow?

Mr Osborne: I am not aware that the OBR makes that forecast, but obviously everything we are doing—whether increasing free nursery care provision for some of the poorest two-year-olds or introducing the pupil premium—is designed to encourage social mobility and to give those on lower incomes a chance to increase their incomes over this Parliament.

Mr John Redwood (Wokingham) (Con): I thank the Chancellor for the guarantee of no bail-outs for other European countries. Does he think the European Central Bank will make available all liquidity needed by major banks in euroland, as it should do because it tells us they are all solvent?

Mr Osborne: Obviously, the ECB is independent so I will not speak for it. What I have said about the European financial stability mechanism is that we now have a verbal agreement—I will, of course, want to secure it over the coming weeks—that that mechanism will not form a permanent part of the bail-out mechanism that the eurozone wants to put in place from 2013, and we will not be part of that bail-out mechanism. Indeed, if it requires a treaty change, our consent to that change would, of course, be required.

Ian Paisley (North Antrim) (DUP): I thank the Chancellor for his statement. What assurances has he received from Ireland to ensure the multibillion pound loan now given to it will not be allowed to be used to have a fire sale of assets that the Irish state now owns in Ulster and, indeed, across the whole of the United Kingdom? Can the Chancellor also tell us what progress he has made with the Northern Ireland Executive on a reduction in corporation tax so we can compete fairly with a nation that has a corporation tax rate of 12.5%?

Mr Osborne: The Irish bank restructuring package will now take several weeks—at least—to put in place, and we are, of course, very aware of the interconnectedness of the banking systems of Ireland and Northern Ireland, and, indeed, the whole UK. That is one of the reasons why we are making this bilateral contribution; it is one of the reasons why we are in the room discussing the conditions and the banking package. I am certainly conscious of the fact that some of the Irish banks have significant assets in the UK, and we have a very real interest in the future of that. That is why my hon. Friend the Financial Secretary came to Northern Ireland earlier this week, and I want to make sure that the Treasury, as well as the Secretary of State for Northern Ireland of course, remain in very close contact with the Northern Ireland Executive and Members from Northern Ireland.

Corporation tax has genuinely been a matter of debate in the European Union. I do not think that has been any secret; it has been in the newspapers. Some member states wanted to attach conditions to Ireland's corporation tax rate, and I do not deny that that 12.5% rate is a real challenge for companies in Northern Ireland. That is why the Secretary of State for Northern Ireland is looking at that and at packages to help the competitiveness of companies in Northern Ireland. But I took a position, which was that it is not really for other member states to dictate the tax rates of sovereign nations, even when they are seeking international assistance. The rates of tax levied by the Irish Government should be a matter for the Irish Government and the Irish Parliament. If the shoe was on the other foot, we would not want to be accepting, in this country, decisions imposed on this Parliament about tax rates. This should be a matter for the elected Parliament of the country. I do not deny that that 12.5% rate is a challenge for Northern Ireland, but I did not feel it was right to use the position we found ourselves in to get Ireland to increase that corporate tax rate.

Dr John Pugh (Southport) (LD): The Chancellor says he is intent on reforming our "outdated and complex rules for controlled foreign companies." Can he assure me that this will not create new opportunities for tax avoidance?

Mr Osborne: Yes, I can assure the hon. Gentleman that that is certainly not the purpose of the measure and that tax avoidance is what we are going to seek to avoid. The measure is there to keep pace with the changes in corporate tax regimes that have been introduced in many other countries, not only Ireland, which we have just been talking about, but countries such as Belgium and the Netherlands, which have also made corporate tax changes that attract international companies to headquarter there, rather than in the UK. We have to keep pace with those changes, which is why we are taking the measures that we are.

Mr George Mudie (Leeds East) (Lab): The Chancellor and the Business Secretary have apparently postponed the long-awaited growth White Paper. Officials say that this is because of the lack of serious content. Can the Chancellor tell us when we can expect this long-awaited document? In which financial year?

Mr Osborne: What we have published today is a series of documents, which the hon. Gentleman has perhaps not had a chance to see yet. Some of them are on corporate tax reform, on intellectual property and on how in time for the Budget—after all, a White Paper proposes measures that will then be legislated for—we will have measures that will address the competitiveness of British industry. Our measures will specifically look at things such as the competition regime, the approach we take to attracting inward investment, how we improve our employment law and specific sectors. If he wants to involve himself in that process, I will make sure he can be part of it.

Michael Fallon (Sevenoaks) (Con): Given the forecasting record of the Chancellor's predecessor but one, who was frequently in error but seldom in doubt, is not the strength of these forecasts that they were prepared by independent officials, who cannot be and were not overruled by politicians?

Mr Osborne: That is, of course, a very significant feature of what is happening today. It is completely unprecedented for a Chancellor to present an autumn forecast that has been produced independently by people who have been verified by the all-party Treasury Committee and who had their own separate press conference. In addition, Members have had a couple of hours to look at this document. If one thinks back, for example, to a year ago and the pre-Budget report, when the previous Chancellor produced the autumn forecast, one recalls that he rattled off the numbers. There was absolutely no opportunity for the shadow Chancellor to have examined those numbers or to have looked at the document, or for any other Member in the House to have done so. It was the Chancellor's judgment, rather than an independent judgment. Our approach is a major improvement to fiscal policy making in this country. The legislation is before the House of Lords, and I hope that when it comes to the House of Commons it will have all-party support.

Mr Dennis Skinner (Bolsover) (Lab): Why are the Irish banks worth saving yet Northern Rock was not?

Mr Osborne: What the Irish banks are getting, in many cases, is a capital injection. As in the UK, the banks have been very poorly regulated. We are improving our regulation system. If the hon. Gentleman does not think we should be supporting the Irish banking system, the impact of his proposals on his constituents in Derbyshire would be very severe.

Dan Byles (North Warwickshire) (Con): The shadow Chancellor says that he is concerned about what he calls slow growth in coming years. Does the Chancellor agree that steady, sustainable and private sector-led growth is exactly what the UK needs after the bubble that was inflated and then burst by the previous Government?

Mr Osborne: My hon. Friend makes an extremely good point. What is happening here is a rebalancing of the economy. I hear the shadow Chancellor muttering away about what he calls slow growth, but according to the European Commission forecasts today our growth is more rapid than that of Germany, France, the United States of America or Japan, as well as than the EU

[Mr George Osborne]

average and the eurozone average. I am not sure what his proposals are to increase that growth rate but if he has some, now is the time to produce them.

Mr Dave Watts (St Helens North) (Lab): Is it not the case that most of the public sector cuts will take place in the north and that any jobs that are created—there are not likely to be many—will be in the south? Is not the policy unbalanced?

Mr Osborne: In the last decade, under the Government of which the hon. Gentleman was a member, for every 10 jobs created in the south-east only one was created in the midlands and the north. That is the situation that we have inherited and the economic model that we have to change. It is precisely because we want to see exports and investment increase that we are aiming for a more geographically balanced model of economic growth. Announcements such as the one we have made today on the investments by Glaxo will help that, as will the first time-ever tax cut for new employees that is specifically directed at regions outside the south-east.

Mr John Baron (Basildon and Billericay) (Con): I suggest that my right hon. Friend never tire of reminding the Opposition that this recession, unlike all previous post-war recessions, is a recession built on debt and that one cannot borrow one's way out of debt.

Mr Osborne: I assure my hon. Friend that I will not tire of reminding the Opposition of that. Of course, if they come forward with a new economic policy we can examine it, but at the moment there is not a new economic policy to examine, so there we have it.

Mr Chuka Umunna (Streatham) (Lab): The Chancellor has said that he sees private sector growth being driven by business investment and by exports. In its report today, the OBR has revised down its forecast for business investment in four of the years between 2010 and 2015. Of course, we have seen the dramatic uncertainties in the eurozone, which is our main export market. If exports and business investment do not turn out to be what he expects, where does he see private sector growth coming from?

Mr Osborne: One of the primary tasks of the OBR is to assess whether we will hit the fiscal mandate. The very fact that the fiscal forecasts are not a matter of controversy in the House today shows what we have done to get the British public finances under control. The OBR assessed specifically the scenario that the hon. Gentleman volunteers and said that the fiscal mandate will be met under those conditions. In fact, rather perversely, that helps the fiscal forecasts because of the tax base being more focused towards consumption.

Mr Charles Walker (Broxbourne) (Con): When the books are balanced, will the Chancellor seriously consider reducing the overall burden of taxation? Thanks to the efforts of the previous Government, it is far too high.

Mr Osborne: Of course, I am a believer in trying to reduce the tax burden and trying to reduce taxes. However, I have always believed that the best way to achieve that is from stable public finances, otherwise one cuts taxes one year and has to put them up the next. So I am a fiscal conservative with a small c as well as a tax-cutting Conservative with a big C.

Mr Andrew Love (Edmonton) (Lab/Co-op): In reference to the answer to my hon. Friend the Member for Streatham (Mr Umunna), the Chancellor, through the OBR, is suggesting that there will be 8% growth in business investment yet there is scant sign of it at present Net trade, it has been suggested, will increase by 6% in each of the next four years yet, according to the Governor of the Bank of England, there are doubts about whether the euro area or the United States will deliver the sort of export growth that is being suggested. Is not the Chancellor just a little worried about the optimism in the estimates and is he concerned about whether they will be delivered over the next four years?

Mr Osborne: The hon. Gentleman says that I made the forecasts, but they are independent forecasts by Mr Robert Chote, whom I do not think anyone would claim is in anyone's pocket. He is totally independent. The hon. Gentleman is on the Treasury Committee, which interviewed Mr Chote for the job and passed him. These are Mr Chote's, Mr Nickell's and Mr Parker's estimates and they have made a central forecast. He says that there is scant evidence, but that is not what the Office for Budget Responsibility believes. It is independent and it has forecast that business investment is set to grow by more than 8% for each of the next four years and that exports are set to grow by an average of more than 6% a year.

Andrea Leadsom (South Northamptonshire) (Con): Is my right hon. Friend concerned that in the Greece bail-out and now in the Ireland bail-out taxpayers will end up supporting professional bond and equity holders in banks?

Mr Osborne: This has been one of the most difficult issues that the international community and, of course, the Irish people have had to wrestle with. For reasons of financial and economic stability, it was decided that it was not possible and would not be sensible to ask the senior debt holders in the Irish banks to take a haircut. That is exactly what did happen in late 2008, in some of the US bank rescues, with pretty disastrous effects, so that is why that decision was taken. Subordinate debt holders in the Irish banks will suffer losses and I think that is appropriate.

Sheila Gilmore (Edinburgh East) (Lab): Given that the nearest year for prediction in the OBR report suggests that growth will fall in relation to previous predictions—it was 2.6%, then 2.3% and is now 2.1%—what confidence can we have that predictions further out than now will be any more reliable? Is it not likely that growth will not rise as much as predicted?

Mr Osborne: I said right at the beginning of my remarks that these are economic forecasts and that we should treat them with the caution with which one should treat all economic forecasts. At least we explicitly acknowledge that and the forecasts are independently produced. What we have here is a central forecast; previously, Chancellors just gave a number and asserted

that that was the forecast come hell or high water. That is not what the OBR is doing today. However, one can take confidence that its growth forecast for next year is in line with those of most independent commentators and forecasters. It happens to be very close to the numbers that the European Commission produced today, which were not available to the OBR or the British Government until today. We can have confidence that it is part of a group of people who look to the UK and see it growing sustainably over coming years and jobs being created.

Mr Edward Leigh (Gainsborough) (Con): All the talk is of cuts, but with spending still rising despite these so-called cuts and with debt as a proportion of GDP rising to a staggering 70%, will my right hon. Friend remind the House that, to coin a phrase, there is no alternative to further massive efficiency savings, particularly in ring-fenced Departments such as Health where there has been a catastrophic decline in productivity in the last 10 years?

Mr Osborne: I certainly agree with my hon. Friend that an essential part of this programme for public expenditure is getting greater productivity in the public services. As the former Chair of the Public Accounts Committee, he has much to offer. The Treasury is engaging with him on this, I hope, and will engage further with him in the coming months. He is absolutely right that, in a period when there is less money available, if we do not have reform, we will have deterioration in the service. That is why we have got to have reforms and why Parliament is being asked to support those reforms in the next few months.

Barry Gardiner (Brent North) (Lab): The OBR's central forecast is for a "relatively sluggish medium-term outlook", which it says

"reflects...the impact of the Government's fiscal consolidation."

Can the Chancellor confirm that it follows from this that if the Government's fiscal consolidation had been less severe, the medium-term outlook would be less sluggish? In other words, he has cut too far and too fast, just as Ireland has.

Mr Osborne: The short answer is no. We inherited a situation of very deep recession, a major banking crisis and a record fiscal deficit. I thought—although one is never sure—it was common ground across the parties that at least we had to do something to address the fiscal deficit, not that we have heard specific measures from the Opposition for doing that. In the summer, the OBR produced a comparison of the growth forecasts under the previous Government's plans and under the plans of the current Government, which showed that over a period of time we were putting forward a much more sustainable path for growth that would lead to higher growth in the future. It also avoids the downside risk—the tail risk—of a major fiscal event, which would be a major loss of confidence in the UK. It is pretty remarkable that here we are today debating the numbers, and that is fine, but we are not having to worry about the UK's creditworthiness, unlike some other countries in the European Union, even though we inherited the largest budget deficit in the EU. We have taken measures to take ourselves out of that firing line, and now we have sustainable growth and jobs are being created.

Matthew Hancock (West Suffolk) (Con): Will the Chancellor give us his assessment of what would happen if we ignored the advice of the IMF, the OECD and the EU, and moved from the path of putting our own house in order?

Mr Osborne: It is not a bad test of the policy offered to the Government from the Opposition to consider what would happen if we actually did it tomorrow. If the shadow Chancellor stood up tomorrow, or if I adopted his plan, and announced that the UK was backing off its fiscal consolidation plan and that it would take much longer, where do we actually think the UK would be within about 30 minutes of that statement?

Kate Green (Stretford and Urmston) (Lab): I am naturally pleased that the number of job losses in the public sector has been revised downwards, but I am very concerned that it seems that the £18 billion of welfare cuts, which will affect the poorest, will be picking up the price tag. Was that the Chancellor's explicit decision and policy, and if so does he think it was fair?

Mr Osborne: I do of course think the spending review was fair, but as I said at the time—*[Interruption.]* If the Opposition would actually produce a spending review, perhaps we could compare the two—but they do not want to do that.

The point I was making to the hon. Lady is that I said at the time of the Budget and the spending review that I was making a conscious decision to seek further welfare reform to try to reduce the rapidly escalating costs of the welfare state. That was a challenge that anyone doing my job would face, and I said that if we were able to find further welfare reforms, we would be able to reduce the cuts in Departments, and that is exactly what we were able to do.

Jesse Norman (Hereford and South Herefordshire) (Con): May I congratulate the Office for Budgetary Responsibility on a thoroughly transparent, comprehensive and technically excellent report? It marks a first in this country. Can the Chancellor give us an assessment of any remaining threats he sees to financial stability from the eurozone countries?

Mr Osborne: There is of course concern about the high deficits, particularly in the eurozone. Let us hope that the action taken yesterday to stabilise Ireland, and also the clarification that eurozone Ministers offered about the future permanent bail-out mechanism and the involvement of private sector creditors in that, will help to achieve stability. That is certainly what the intention was yesterday.

Ann Coffey (Stockport) (Lab): Stockport council will tonight announce proposals for cuts, with the likely loss of 400 jobs. That will have a devastating impact on my constituents who are affected, but it will also lead to loss of confidence by those with jobs that they will have jobs in the future, which might lead to reluctance on their part to spend money in the economy. Is the Chancellor concerned that such lack of confidence will affect new jobs and future growth?

Mr Osborne: Of course, I have enormous sympathy with anyone who faces a job loss, but we are creating the economic conditions where they will be able to find a

[Mr George Osborne]

new job, I hope. There is support from the welfare system. We expect more than 1 million new jobs to be created over the coming years. I make this observation to the hon. Lady, who was Parliamentary Private Secretary to the previous Chancellor: if the Labour Government had been re-elected in May, they would be cutting billions and billions of pounds from public spending, this year, next year and in the years ahead. That was in the March Budget plans, even if they are not the plans that the shadow Chancellor is sticking to. If the hon. Lady is able to find a way of cutting many, many billions of pounds—£40-odd billion—from public spending without in any way affecting the local government settlement, she should please let me know.

Mr Marcus Jones (Nuneaton) (Con): I welcome my right hon. Friend's statement and his will to reform business regulation. In the course of that reform, will the onerous and costly reporting to Government culture to which businesses must adhere be fully scrutinised?

Mr Osborne: The short answer to my hon. Friend is yes. One of the specific aspects that we want to look at is how Government should be helping businesses grow, rather than standing in the way of that. That includes procurement for Government. The Government spend too much of their money on the largest companies in the country and not enough on some of the smaller companies. That is one of the things that we seek to improve.

Barbara Keeley (Worsley and Eccles South) (Lab): On public sector jobs, the Chancellor says that headcount reduction will happen over four years, but as he knows, some local authorities are facing budget reductions of 20 or 30% next year alone, due to front loading and loss of specific grant. Will he consider rephasing the cuts to local government so that we do not see 140,000 local government job losses next year?

Mr Osborne: I said at the time that it was a challenging settlement. I have removed some of the ring-fencing—indeed, almost all the ring-fencing—to allow local authorities the maximum flexibility to deal with that, but unfortunately I inherited a situation where the country was borrowing £1 in every £4 that it was spending. At a time when people are looking at European countries, we can see what happens to European countries that have high budget deficits and no credible plan to deal with them, so I have had to take those decisions. As I say, if the Labour party wants to put forward a plan to remove the structural deficit without affecting the local government settlement, let us hear it.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I warmly welcome the announcement that you made of the investment by GSK into our British economy today on the back of the 10% tax rate for patents and innovation. Can you tell us more about the competitiveness measures that you are taking to help this country on its way out of the mess left behind by the Opposition?

Mr Speaker: Order. May I make the point that I have made no announcement and I can certainly say no more, but I think the Chancellor can oblige? We know what the hon. Lady meant.

Mr Osborne: We are looking at two specific things. One is the controlled foreign companies regime. This is what we believe will help encourage large multinationals to choose the UK as a place to put their headquarters, rather than in Holland or Belgium, for example, where some companies have chosen to go. In a world in which companies can increasingly choose where to locate and countries are being aggressive in trying to attract their location, these tax measures will make us one of the most competitive places in the world for a company to locate its headquarters. On the patent box and the lower corporation tax rate for intellectual property, of course the GSK announcement is just one of many, I hope, from companies that depend on intellectual property and patents to power their business. Again, that will make us very competitive versus other countries.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): The OBR confirmed today that we will borrow £1 billion less. Last week, we decided to make a £7 billion loan to the Republic of Ireland, yet apparently we could not afford to make an £80 million loan to Sheffield Forgemasters. Is that not proof, if any were required, that the Chancellor has deliberately talked down the British economy and, more importantly, that these policies are damaging the British economy?

Mr Osborne: I think that is one that was prepared earlier. UK growth is forecast to be higher than that of Germany, France, many other European countries or the United States of America. It is also the case that the OBR is forecasting the creation of a million jobs. When it comes to the sovereign loan to Ireland, that is of a totally different nature from industrial support. It will be set out in the terms that I bring before the House of Commons. It is £3.25 billion, rather than the number that the hon. Gentleman gave.

Geoffrey Clifton-Brown (The Cotswolds) (Con): My right hon. Friend has today reinforced the need for exports to help our recovery. What can he personally do to help reverse the situation whereby we export more to southern Ireland than we do to all the BRIC countries—Brazil, Russia, India and China—put together?

Mr Osborne: Since the Government were created there has been an absolute focus in foreign policy and trade policy on trying to increase our exports to those BRIC countries. The Prime Minister led major trade missions to India and China, the Business Secretary was very recently in Russia and I think that a trip is being proposed for Brazil, so we are seeking to expand our exports to the BRIC countries and, indeed, to some other important emerging economies such as Indonesia, Turkey and so on. We do not want to export less to southern Ireland or to anyone else in the advanced world; we just want to increase our exports to emerging economies.

Geraint Davies (Swansea West) (Lab/Co-op): We know that the deficit is the price that has been paid to avoid a depression—a price that the Chancellor would not have paid. To reduce the deficit, will he consider using three methods: first and foremost, a proper jobs and growth strategy; secondly, fair and progressive taxation; and, thirdly, savings over a greater period, instead of simply casting half a million public sector workers on to the

dole, triggering the unemployment of another 1 million private sector workers and ending up with the unfair, unnecessary and failed policies of the Conservative past?

Mr Osborne: That was a complete load of nonsense. The independent forecast shows that we are projected to create 1 million jobs, and that the economy will grow more quickly over the next couple of years than the economies of most of our European competitors. Frankly, we inherited from the previous Government an absolutely catastrophic situation in which people called into question Britain's ability to pay its way in the world. That was the situation we inherited, but I think we have done many things in the past six months to ensure that the British economy is now on the mend.

Claire Perry (Devizes) (Con): I am sure the whole House will welcome chart 1.1 on page 8, which shows that there is almost no probability of a double-dip recession. Does the Chancellor agree with that forecast?

Mr Osborne: It is of course an independent forecast, and although the Chancellor does—and will under legislation—have the right to disagree with it, I have not exercised that right today.

Chris Williamson (Derby North) (Lab): What words of comfort can the Chancellor offer the construction industry and the thousands of unemployed building workers who are still reeling from his Government's decision to scrap the Building Schools for the Future programme and end housing targets? Does he not accept that a private sector-led recovery will be impossible without a vibrant construction industry? What will he do to support the industry?

Mr Osborne: We certainly want to support the construction industry. It is one of the specific sectors that we are looking at, as the growth review that we publish today sets out. If I can just correct the hon. Gentleman, however, I must say that the capital investment programmes of this Government are actually higher than the capital investment programmes set out in the March Budget. If he is not aware of what the Labour party fought the election on, so be it.

Mel Stride (Central Devon) (Con): I welcome my right hon. Friend's statement and, in particular, today's OBR forecast, which sees projected public sector job losses drop from 490,000 to 330,000. Based on the previous 490,000 figure, PricewaterhouseCoopers projected that half a million jobs would be lost in the private sector. Will my right hon. Friend comment on the likely reduced impact on private sector unemployment as a result of today's lower projected job losses in the public sector?

Mr Osborne: The OBR also makes a projection for private sector employment and takes into account all the potential impacts on that, and it finds that a net 1.1 million jobs will be created over the period: there will be 30 million people in employment at the end of this Parliament, compared with 29 million today.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): In bringing forward their national insurance proposals the Government accept that their fiscal consolidation programme will have a disproportionate affect on those areas of the state that are more reliant on public expenditure. What other countervailing measures is the right hon. Gentleman considering?

Mr Osborne: We have created the regional growth fund to look specifically at areas that need support and investment. We have been able to announce some significant transport investment in other parts of our country. The national insurance tax reduction, which the hon. Gentleman mentions, refers explicitly and only to job creation outside the south-east and east, and I have deliberately taken that decision to try to create a more geographically balanced economy than the one I found when I took this job.

Mr Tobias Ellwood (Bournemouth East) (Con): It is clear from the response that we have heard today that the Labour party is still in denial about the huge deficit that it created. I congratulate my right hon. Friend on coming up with a workable, viable and transparent plan that can take us out of this mess.

I take my right hon. Friend back to the permanent fiscal stability facility, which will not come online until 2013. What will happen if another eurozone country requires a bail-out? Will Britain's involvement be kept to a minimum?

Mr Osborne: I thank my hon. Friend for his initial comments. I say this about any future action that we may or may not have to take. On the bilateral loan, I said last week that there were some very specific—I stress the words "very specific"—circumstances that would lead us to support Ireland because of the interconnectedness of our economies. I also said that the European financial stability mechanism, the EU fund, was something that the previous Government had signed up to, and that the UK could not block its use because it operated under qualified majority voting. I had to deal with that situation, but by finding now what I think is a way forward that means that the mechanism disappears in 2013, we have taken a bad situation and made it a lot better.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Has Ireland's fiscal consolidation been successful?

Mr Osborne: The point that I would make—*[Interruption.]* Ireland has had to take some incredibly difficult decisions to deal with its fiscal deficit. Its Government have announced, with the support of all the major parties in Ireland, with the exception of Sinn Fein, that they are going to have to take further austerity measures next year and over the next three or four years. If they did not take those measures, the country's situation would be even more difficult.

Frankly, we should have some respect for the incredibly difficult situation in which Ireland finds itself. We should take some comfort that, because of the measures that we have taken on our public finances, we in this House are able to help the country and that we are not in the firing line in the way that we would have been if the Labour party had won the election.

David Rutley (Macclesfield) (Con): Despite the excessive nay-saying from the Labour party, is the Chancellor aware of a recent report from Barclays bank that outlined that the majority of businesses in the north-west—our region—are looking to expand in the year ahead? Will he tell the House what steps he is taking to support small and medium-sized enterprises, which, in the years ahead, will be the growth engine for job creation?

Mr Osborne: We avoided the increase in the small companies rate that the previous Government wanted to introduce even in a recovery. We have been able to avoid the damaging part of the jobs tax. Of course, my hon. Friend is absolutely right. The forecast in this report and the forecast from many other people is for jobs to be created in the private sector across the country, including in the north-west—a part of the country that both of us represent in the House. Frankly, one can see again today that the Labour party wants to talk down the economy, does not believe independent forecasts and talks down the regions. It is no wonder that people rejected it at the election.

Bill Esterson (Sefton Central) (Lab): Was the Chancellor talking a "complete load of nonsense", as he put it earlier, when he said:

> "Look and learn from across the Irish Sea...What has caused this Irish miracle, and how can we in Britain emulate it?"

Does he recognise that a private sector recovery has not happened in Ireland? Why should following the same policies be any different here?

Mr Osborne: If the hon. Gentleman cannot tell the difference between the economic situations in which Britain and Ireland find themselves today perhaps he should not turn up to these events.

I just make this observation. This is an independent report, produced by Robert Chote. *[Interruption.]* I have had a lot of chuntering from Opposition Front Benchers about the independence of the Office for Budget Responsibility. We set it up on an independent basis and we have given all members of the Treasury Committee the right to approve or reject the members of the budget responsibility committee. We will see whether Opposition Members, including Front Benchers, support this legislation when it comes before Parliament. At the moment, it does not sound as if they will support it, but perhaps they will change their minds.

Mr David Nuttall (Bury North) (Con): Is my right hon. Friend as concerned as I am that over-prescriptive regulation such as that proposed by the Financial Services Authority's retail distribution review may result in a loss of jobs?

Mr Osborne: I know that a number of concerns have been raised about the FSA's review of that area. Obviously, it is an independent regulator, but I have made sure that those concerns have been drawn to its attention.

Karl Turner (Kingston upon Hull East) (Lab): Does this apparent good news mean that the Government can now spare the blushes of the disgraced Deputy Prime Minister and of Government Members by scrapping plans to hike university tuition fees, or is this really about pure ideology—rich kids can afford to go to university and poor kids cannot?

Mr Osborne: I will tell the hon. Gentleman what this issue is about: the hypocrisy of the Labour party. Labour Members set up Lord Browne's report, and the shadow Chancellor was in the Cabinet that agreed to that. Lord Browne has reported, and now they are all walking away from it—it is absolutely pathetic.

Mr Rob Wilson (Reading East) (Con): Compared with June, the OBR predicts, in table 4.21 on page 118, that we will save £19 billion in interest payments. Contrary to what the shadow Chancellor said, are not the choices made by my right hon. Friend the right ones to ensure that we have this £19 billion to spend on schools and hospitals rather than putting it in the pockets of foreign Governments and private bondholders?

Mr Osborne: My hon. Friend is absolutely right. This is one of those issues that is perhaps less commented on, but very relevant. We are reducing the debt interest payments that we inherited from Labour, and the debt interest bill—the money that we have to pay out to private bondholders and foreign Governments to borrow—is coming down from the number that we inherited. That is £19 billion that would otherwise, if we followed the Labour party's plans, be being paid to foreign Governments and private bondholders. That is how Labour Members want taxpayers' money spent; we have other plans for it.

Mark Reckless (Rochester and Strood) (Con): Instead of lending to Ireland to repay the European Central Bank and bolster bank capital relative to large impaired assets, might it not make more sense to help Ireland to de-leverage by buying some of those written-down assets directly, particularly where they are in the UK and are not well managed by the National Asset Management Agency?

Mr Osborne: The support for Ireland had to be a co-ordinated international effort with the IMF and other European member states, and we have taken our part in that. I do not think that coming up with our own unilateral package would have been particularly easy when, as I said, the IMF was organising this international effort. I have already said in reply to an earlier question that of course we will want to look at the impact of the banking reorganisation in Ireland on some of the assets that are managed in the UK, and I will keep the House informed about that.

Jessica Lee (Erewash) (Con): I welcome my right hon. Friend's statement, particularly on the investment of GlaxoSmithKline in a new facility at the university of Nottingham near Erewash. Does he agree that ring-fencing the science budget, bolstered by his coming to this House today and presenting figures of growth and stability for the UK economy, sends out a clear message to the rest of the world that the UK, particularly the east midlands, is an excellent place in which to invest and build?

Mr Osborne: I completely agree with my hon. Friend, who has been a powerful champion of the east midlands and of her constituency in the few months since her election. I know that she will welcome the announcement by Glaxo, which is because of the decisions that we have taken. Of course, the support for job creation in the east

midlands and across the country would not be there if we had a fundamentally unstable economy of the kind that this Government inherited in May.

Justin Tomlinson (North Swindon) (Con): What measures are being taken to maintain the low interest rates that are essential to mortgage holders in my constituency?

Mr Osborne: The Bank of England Monetary Policy Committee sets interests rates, and does so independently. The purpose, in part, of the measures that we have taken to reduce the deficit is to give the Monetary Policy Committee the maximum possible flexibility and freedom in setting the appropriate monetary policy to stimulate demand in the economy. I believe that that has enabled it to keep interest rates low, which helps to stimulate the economy.

Charlie Elphicke (Dover) (Con): Will the Chancellor confirm that the corporation tax reforms that were announced today will make the UK more attractive as a holding company jurisdiction and help to make the UK a pre-eminent corporate headquarters centre, as much as a financial centre?

Mr Osborne: My hon. Friend is absolutely right that the reforms will help to do that. They will help the UK to be an attractive place for international companies to locate, invest and create jobs. The changes to the patent regime will help a number of sectors, such as pharmaceuticals. I mentioned GlaxoSmithKline, but of course Pfizer is a big employer near Dover, and I hope that it, too, will benefit from the announcements that we have made.

Chris Ruane (Vale of Clwyd) (Lab) *rose—*

Mr Speaker: Order. Was the hon. Gentleman present at the start of the statement?

Chris Ruane: I was.

Mr Speaker: He was uncharacteristically quiet throughout it.

Chris Ruane: I was right here at the back, Mr Speaker.

In my constituency, 46% of the workers are in the public sector. In one Edinburgh seat, the figure is 66%. Those are huge numbers of public sector workers and many of them will be laid off. What additional help can the Chancellor give to constituencies that contain large numbers of public sector workers?

Mr Osborne: First, we are seeking to reduce the impact of the fiscal consolidation that would have taken place under either the Conservative or the Labour party in office. We are doing so in a way that, as the OBR has today shown, has a reduced impact on public sector headcount loss. Secondly, we are putting in place a comprehensive Work programme to help people who are without work to find work. Thirdly, today's forecast is that more than 1 million new jobs will be created over this Parliament. That will help all constituencies, including the hon. Gentleman's.

Points of Order

4.47 pm

Keith Vaz (Leicester East) (Lab): On a point of order, Mr Speaker. I seek your guidance on a potential issue of contempt. Last Friday, the Clerk of the Home Affairs Committee was contacted by the Press Association to inform him that it was in possession of a recording of a private session of the Committee in which one of our reports was discussed. On Tuesday, we held a public session before going into private session and the live feed remained on, due to a technical problem in Committee Room 5. To its credit, the Press Association agreed not to publish or broadcast the Committee's deliberations, but instead reported the fact that the feed had remained open. When such a matter occurs, is a news organisation able to broadcast a private session of a Committee, or is that regarded as a contempt? We assumed that it was a contempt, but, as I said, the PA did not broadcast what we said. It would be good to receive clarification on that matter and to hear whether there might be an investigation into the technical matters in Committee Room 5 to ensure that it does not happen again.

Mr Speaker: I am grateful to the right hon. Gentleman for his point of order and for giving me advance notice of it. I understand from the advance notification and from what he has just said that there was a technical problem with the recording of his Committee's meeting last week. There is not really a procedural solution that I can offer him or the House, but I am advised that all necessary steps are being taken to avoid a recurrence. If no harm was done, I am sure that the Committee and its illustrious Chairman will be relieved. In essence, he asked me a hypothetical question—whether it would have been a contempt, and so on and so forth. I think that he is capable of working out such matters for himself. On this occasion, I hope that he will understand it if I adopt the approach of the late Lord Whitelaw, which was that on the whole, judging from experience, he preferred to cross a bridge only when he came to it.

Stella Creasy (Walthamstow) (Lab/Co-op): On a point of order, Mr Speaker. I wish to ask for your help as a new MP baffled by the actions of Government Departments that may wish to avoid scrutiny in this place.

My hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) and I tabled questions for today's Culture, Media and Sport Question Time on the impact on participation in sport of the proposed abolition of school sport partnerships, which were accepted by the Table Office and drawn in the ballot for answer. Subsequently, the DCMS summarily moved them to other Departments for answer, and having seen today's Question Time, we may understand why it chose to avoid them. Could you help me understand how that occurred, and would it be possible to look at the current procedures to help prevent Ministers from using them to park matters that they are too embarrassed to deal with, and indeed from further diluting scrutiny of their actions by making such questions eligible only for a written answer?

Mr Speaker: I thank the hon. Lady for her point of order. That is a very unfortunate sequence of events, and I am afraid that there are really only two points that

[Mr Speaker]

I can make to her today. First, the decision as to whether to transfer an oral question from one Department to another is exclusively a matter for the Government. It is not a matter for, for example, the Chair.

Secondly, as I have had reason to state on several previous occasions, I strongly deprecate the practice of late transfer of oral questions by Government Departments. It could have been done earlier. It is very unseemly and very discourteous to Members, and whatever the motivation behind it, it will inevitably fuel the type of suspicion that the hon. Lady has eloquently articulated this afternoon. I am pleased that the Deputy Leader of the House is on the Treasury Bench and will have heard that point. I hope that it will not be necessary continually to repeat it.

Backbench Business

[11TH ALLOTTED DAY]

Banking Reform

Mr Speaker: It might be for the convenience of the House to know that I have imposed, on account of the level of interest in this subject, a six-minute limit on each individual Back-Bench contribution, such limit to take effect when the mover of the motion has completed his speech. I would add also for the benefit of the House that I have selected neither of the amendments on the Order Paper.

4.52 pm

Mr Michael Meacher (Oldham West and Royton) (Lab): I beg to move,

That this House, concerned that no action has so far been taken which would prevent a recurrence of the financial crash, calls upon the Government to establish a clearing house for approval of all financial derivatives and to set in place alternative mechanisms to remove the implicit taxpayer guarantee, other than to purely deposit-taking banks, in the event of any future banking collapse.

The motion is on the Order Paper through the good offices of the Backbench Business Committee, and I take this opportunity to congratulate the Committee and its Chair on the way in which, in my view, they have already opened up Parliament to valuable new procedures and paved the way for important debates that might otherwise not have happened. I hope and believe that this might be one of them.

I begin with the words of the managing director of the International Monetary Fund, Dominic Strauss-Kahn, who a few weeks ago told *Stern* magazine that he thinks a second financial crisis is almost inevitable given the paucity of reform and the vulnerability of the financial system, and that next time round it may well be impossible to persuade taxpayers to fund bail-outs. I do not believe that is an exaggeration, and the latest travails of the eurozone serve only to underline those fears.

It is worth noting that we in the UK have more bank lending as a proportion of our gross domestic product than even the Irish—some £7 trillion, which is five times our GDP. If we are to prevent a repetition of the financial crash, it is clear that its causes must be identified and dealt with by appropriate means. I argue that those causes, in the main, include: an over-lax monetary policy that encouraged an excessive leveraging culture; extreme light-touch regulation that left too much to the markets; the development of a vast global market in credit derivatives, which were not well understood, and which Warren Buffet, the world's second richest man, notably described as

"financial weapons of mass destruction";

the role of enormous bonuses, which drove recklessness; a banking structure so over-concentrated in the lead banks that when disaster struck, they were judged to be too big to fail, with catastrophic consequences, as all hon. Members well know, for national debt and the budget deficit; and a banking model that linked speculative investment with retail deposit taking, both of which

were protected by an implicit taxpayer guarantee. I hope that that description is accepted on both sides of the House.

All those causes need to be dealt with, and yet none has been. Given the limited time, of which I am very conscious, I want to concentrate on the most important. First, financial derivatives are a perennial candidate for causing the next crisis, because they add opacity and leveraging to the financial system. Credit default swaps, a £65 trillion market, and collateralised debt obligations, which are one of the most common derivatives, urgently need regulation.

Mr John Redwood (Wokingham) (Con) *rose—*

Mr Meacher: I will give way to the right hon. Gentleman, but having heard what Mr Speaker said, I am reluctant to take more interventions, precisely because this is a very short debate—only three hours—and many wish to speak. We already have a six-minute limit, and I have too often been at the back of the queue, unsuccessfully waiting to be called at the end.

Mr Redwood: I am grateful to the right hon. Gentleman, and I shall refrain from intervening at great length for the very reason he gave. Will he explain to the House why over the past decade the UK banking regulator allowed the huge expansion of balance-sheet risks of all kinds, and why it did not demand more cash and capital?

Mr Meacher: I mentioned light-touch regulation in the City of London, which we have had since the Thatcher era and through the Blair era. I believe that that needs to end. We want not excessive but adequate and proper regulation, and for the past three decades, in the so-called neo-liberal era, we have not had it.

Derivatives should be approved by the regulatory authority before they can be issued. At that stage, they can be either prohibited or accepted, perhaps with certain conditions attached. The key point is that transparency is essential. It is worth noting that the recent Dodd-Frank Wall Street Reform and Consumer Protection Act seeks to achieve that by requiring that all derivatives are traded on public exchanges.

Linked to that is the role—or perhaps the scandal—of the credit rating agencies in allocating a spurious status to some highly dubious securities. Light-touch regulation in this country has evaporated into virtual deregulation. Credit rating agencies were paid by the very institutions whose credit worthiness they were supposed to be assessing. By granting the highest rating, as they so often did, they made it easier for the banks that were securitising and further repackaging debt to create the greatest possible number of securities with the lowest possible regulatory cost. That practice should never have happened, and I believe that it should always be prohibited where there is a serious conflict of interest, as there was in that case.

Sajid Javid (Bromsgrove) (Con) *rose—*

Mr Meacher: I know of the hon. Gentleman's expertise in this matter, and I will give way to him, but I will not give way subsequently because I want to speak for only about a quarter of an hour.

Sajid Javid: Does the right hon. Gentleman realise that the price of credit derivatives over the past three or four years has been far more accurate as a predictor of default risk than the credit ratings given by rating agencies?

Mr Meacher: The hon. Gentleman makes a good point of which we need to take account, but I still think that the credit rating agencies potentially have an important role. They are listened to in the market, are the basis on which financial transactions take place, and should be trusted, but in the present circumstances they are certainly not. However, I am grateful for his question.

On bonuses, there is outrage among not just Opposition Members but, for example, right-wing Governments in Germany, France and Sweden, that a banking system that owes its continued existence to massive Government intervention should pay itself mega salaries and bonuses entirely out of line with the top of business, let alone ordinary taxpayers. There is outrage especially because those gigantic bonuses often drove the recklessness in the first place. The overweening power of the banks attracts almost universal hostility, especially given that 90% of investment bank profits, in an era of austerity, are directed not at strengthening balance sheets, at shareholders through dividends, at customers through lower fees or at taxpayers, but at bonuses.

France, among several others, has demanded a mandatory cap and that there should be no guaranteeing of bonuses, but Whitehall, as usual of course, argues that it would not be practical. However, if the G20 Governments insisted on limits and made continued liquidity provisions dependent on compliance, no bank could refuse. I believe that Her Majesty's Government should now be taking the lead in the G20 not in succumbing to lobbying from the City of London and the British Bankers Association, but in reining back bonuses on a much greater scale than we have so far seen, and to much lower levels, and in ensuring that they be paid only in exceptional circumstances.

On the broader question of averting future financial crises, attention has so far largely focused on enhancing capital control, but that does not actually have a good record in this regard. At the outset of this latest crisis, virtually all financial institutions across the globe had capital adequacy of between one and two times the minimum Basel regulatory requirements—at least at that level, and in some cases twice as much. Basel III, which has just reached its provisional conclusions, is scarcely any improvement. The core top-tier capital requirement is only 4.5%, and the contingency capital requirement is only 2.5%. Of the EU's top-50 banks, 45 already meet that standard, and Basel III is actually proposing that the requirement not be introduced until 2019. This is simply nowhere near good enough. A much better possibility might be counter-cyclical capital controls, enforcing different levels of bank capital at different stages in the economic cycle. I can see the point of that, but I suspect that it would leave open the problem of the degree of ratchet and the timing of it. I suspect that that would be far too problematic.

An alternative approach—many have talked about this—is the introduction in Britain of something like the Volcker rule, restricting banks from undertaking certain kinds of speculative trading, notably proprietary trading. Of course that would certainly stop banks

[Mr Meacher]

doing what they are doing at the moment, which is trading on their own books with the money of depositors. The key point, however, is that it would not overcome the too big to fail problem when applied to investment banks. For example, I do not think it would prevent a repetition of the collapse of Lehman Brothers; neither would it address the interconnectedness—the Chancellor was speaking about this a few moments ago—of today's banks, with counter-party relationships and exposure between commercial and investment banks, and insurance companies. That is the problem. I say this with regret, but any rule-based reform is almost certain to face the risk of regulatory arbitrage, because financial institutions invent ever more sophisticated products that are simply aimed at getting around regulatory controls. I therefore do not think that what I have described is an adequate answer. For all those reasons, the force of argument and the balance of advantage point strongly towards separating retail from investment banks, in establishing distinct, narrow banks that are conservative, transparent institutions with no financial instruments or incomprehensible balance sheets.

Mr Andrew Tyrie (Chichester) (Con) *rose—*

Mr Meacher: I am being intervened on by someone whom I cannot resist. I am only too glad to give way to the Chairman of the Treasury Select Committee.

Mr Tyrie: I am grateful to the right hon. Gentleman. On that point, does he agree that the Government have done the right thing by creating the Vickers review? The review will examine, in depth and carefully, without rushing a reform, whether structural reform of the banks is required, and will give us guidance on how to protect ourselves from the too big to fail problem.

Mr Meacher: I entirely agree with that, and I was just about to make the same point myself. I hope I can also take the hon. Gentleman with me when I say that Parliament should have the opportunity to express its views to the Vickers commission before it reports, rather than simply making comments when its work is virtually a fait accompli. Indeed, that is one of the purposes of this debate.

The key advantage claimed for the model that I am describing is that it would remove the implicit taxpayer guarantee—that is, the capacity of the financial conglomerates to use retail deposits, which are implicitly guaranteed by Government, as collateral for proprietary trading; or, as the Treasury Committee put it, I think rather nicely, banks playing

"at a high-stakes casino table with...taxpayers' chips."

I have a lot of respect for this model, but the crux of it is that the withdrawal of the taxpayer guarantee would be a sufficient deterrent to prevent investment banks from engaging in highly risky investments that might collapse, with serious and far-reaching consequences for the national economy. The real question—which I do not think enough people have asked—is whether that is likely to be true. The fact is that if a financial institution outside the protected narrow banking boundary threatened systemic contagion, it is difficult to believe that the Government would not attempt some form of bail-out. I therefore have to say, regrettably, that I doubt whether the narrow banking model could, by itself alone, be relied on to overcome the problem of moral hazard and too big to fail.

Does that mean that there is no solution to the too big to fail problem? Not necessarily. There is an alternative to narrow banking as a means of preventing a bank from gambling away other people's money, which is the recent Kotlikoff proposal in the US. It is a proposal that deserves serious consideration—consideration that I hope the Vickers commission will give it. In the US context, it is proposed that all financial companies become pass-through mutual funds. They would have a 100% equity ratio, to ensure bank solvency, and the payments function of banks would be performed by cash funds that would be 100% reserve—for example, through Treasury bonds. Such banks could, of course, still initiate new mortgages and new loans, but these would not be funded through deposit accounts until they had been sold to a mutual fund. The key point is that the bank would never hold them; in other words, the bank would never have an open position. Banks would not own assets—apart, of course, from their offices and so on—and they would not then be in a position to fail or trigger a bank run. That is a significant proposal.

For those—and there are plenty of them—who want to take greater risks beyond a cash-based mutual fund, there are already hundreds of investment avenues that would continue to be available, such as foreign exchange, derivatives, real estate, hedge funds and all the rest. The key difference with this limited-purpose banking would be that any failure in such investments would be incurred by the investor, not by the bank. That is the crucial point. There would be no problem with the banks being too big to fail or trying to insure the uninsurable risk of financial contagion. Critically, there would be no future claims on the taxpayer.

This reform would overcome a critical market failure without the need for any vast new complex regulation. I say that for the benefit of those on the Government Benches. It is, in effect, a market solution. It is true that it would not necessarily prevent asset bubbles—I do not think that anything can do that, certainly not in this area—but under limited-purpose banking, such bubbles would not threaten the entire financial system. Anyway, there would be nothing to preclude some form of macro-prudential authority from having oversight in this area. I think that that would be a very good idea.

I am not suggesting that this reform would be a panacea, because I do not believe that a panacea exists in this area. It should, however, be thoroughly investigated by the Vickers commission and, I hope, by the Government. I do not think it is an exaggeration to say that at present Britain has the most profoundly dysfunctional banking system of any G7 country. It came nearer to collapse than any other in the autumn of 2008. I believe that we need to break up the mega-banks, with their addiction to mortgage lending. We need smaller banks and, in particular, specialist business banks such as infrastructure banks, housing banks, green banks, creative industries banks and knowledge economy banks. Only that kind of fundamental reform of the banking system, involving all the elements that I have described, can provide the foundation for the economic and social transformation of this country that we all want. I commend the motion to the house.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. A six-minute limit will apply to all Back-Bench speeches.

5.12 pm

Mr Douglas Carswell (Clacton) (Con): I congratulate the right hon. Member for Oldham West and Royton (Mr Meacher) on securing this debate. He made some important, and actually rather sensible, points and gave a powerful critique of the status quo from a position on the left. However, as a free marketeer, I have to disagree with him. I believe that we need a free-market critique of the status quo, but the centre-right has failed to think critically about the status quo for too long. The right hon. Gentleman has therefore done us a great service by forcing Conservative Members to ask the questions that for years we have failed even to ponder. We are in this mess not because of an absence of the free market but because we do not have a proper system of free-market banking. It was not the markets that caused the banking mess that we are in; the markets called time on other people's unsustainable folly. They called time on an unsustainable credit boom and on the folly and stupidity of central bankers.

Banking is undoubtedly corporatist. To put it another way, if one were to read Ayn Rand's "Atlas Shrugged" and to replace the words "railroad" and "rail company" with the words "credit" and "bank", one would get a pretty good description of what has been going on in recent years. We have had a failure of the free market in the allocation of credit in this country. It is extraordinary that we compound that failure by talking ourselves into seriously suggesting that politicians and technocrats should ration credit. The absence of a pricing mechanism at the heart of the banking system is ultimately what caused the credit boom and the banking failure. In a normal market, when demand for a product increases, the price for that product goes up. That, in turn, stimulates supply.

In banking, unfortunately, things are a little different. When demand for credit increases, the price—the interest rate—is kept low or constant. Pricing does not therefore stimulate increased supply. On the contrary, a supply of additional credit is not met through higher savings. It is met by the creation of candyfloss credit—by banks being able to conjure up credit out of thin air. Banks do not meet the additional supply of credit by encouraging more people to save; on the contrary, they continue to lend IOUs on the basis of IOUs on the basis of IOUs. At the height of the credit crunch, for every pound deposited in a bank, IOUs had been written out some 44 times through the miracle of fractional reserve banking.

Banks have a legal privilege to conjure up credit out of nothing that ultimately stems from their ability—this is an extraordinary fact—to call a depositor's deposit their own, to treat it legally as if it were their own, and to lend against it many times. It is that practice that has resulted in a credit pyramid and runaway credit booms, unrestrained by the pricing mechanism that would normally apply and would normally restrain demand and supply. The demand is unrestrained, the supply is unrestrained, and the price is low. The result is Ponzi credit bubbles. An incredibly distortive and disruptive effect is created every 20 or 30 years in supposedly free-market economies that have corporatist banking at their heart, and it leads to sugar-rush booms.

If a whisky distiller sold empty bottles or a food manufacturer sold empty food packets, they would be done for selling thin air, yet banks are essentially allowed to sell empty IOU promises—and people dare to call that the basis of the credit system that fuels capitalism. No wonder capitalism appears to be at risk. We have a crony system of corporate capitalism rather than free-market banking.

Since the credit crunch, experts in orthodoxy have talked about three different solutions, the first of which is low interest rates. We have had pretty low interest rates, and do you know what? It has not really stimulated an increase in the supply of credit. That should not surprise us. Keeping prices low does not stimulate production. Secondly, people have printed more money: big government has shored up a big corporatist banking pyramid on the back of the real wealth creators. It is a system of indirect taxation, inflation and debauching the currency. Thirdly, people have talked about breaking up the banks.

I disagree with all those proposed solutions, but I take issue particularly with the idea of breaking up the banks. I think that instead of crude institutional separation of the banking system, we need an alternative that allows legal separation within existing banking structures. We need a new legal status for deposits, so that a depositor who opens an account can choose to ensure that his deposits are legally his property, and the bank cannot endlessly lend against them. That would not abolish fractional reserve banking, but it would allow us to decide over a long period, organically, whether we needed to move away from the banking system that we have at present, which allows endless candyfloss credit to be manufactured.

Banks do need reform, but I do not believe that they need more controls. We need to address fundamental flaws in the banking system, but in a way that ensures that the pricing mechanism allocates the supply of credit properly. We need less from central banks and fewer controls from central bankers, not more.

5.18 pm

Mr William Bain (Glasgow North East) (Lab): It is a pleasure to be able to contribute to this important debate. I thank my right hon. Friend the Member for Oldham West and Royton (Mr Meacher) for having the good sense to persuade the Backbench Business Committee to secure it. It is also a pleasure to follow the hon. Member for Clacton (Mr Carswell). I agreed with some of his remarks, particularly the one about breaking up the banks

When I was preparing for the debate, I had occasion—and a little more time than I expected, owing to my difficult journey from Scotland to London today—to examine an excellent study of the banking crisis by three major economists in a book entitled "Balancing the Banks", by Mathias Dewatripont, Jean-Charles Rochet and Jean Tirole. Jean Tirole's chapter in particular details, in very precise order, the reasons for the crisis and makes several points. First, it deals with the crisis in United States home loans, which spread to other sectors and other countries. The staggering expansion in the level of securitisation partly explains the difficulties that the US banks got into. Between 1995 and 2006 the proportion of loans that were securitised rose from 30% to 80%, and the proportion of sub-prime loans that

[Mr William Bain]

were securitised increased from 46% in 2001 to 81% in 2006. Jean Tirole also points out the lack of high-quality collateral backing many of these loans, which particularly came to our attention when the inter-bank bond and derivatives markets simply froze up. Added to that, excessive liquidity fed the demand for securitisation. As my right hon. Friend the Member for Oldham West and Royton pointed out, monetary policy was also very loose, particularly in the United States, and the performance of credit rating agencies hardly covered them in glory.

Another important point in understanding what went wrong is the failure of international regulation of the banks. For example, the level of off-balance-sheet liquidity support increased hugely, especially in America. There has also been a need to rediscover what prudential regulation of the banking system should be about. It should be about, first and foremost, protecting small depositors and investors, but also containing the domino effects of systemic risk.

We should therefore welcome some of the recommendations of the Basel Committee on Banking Supervision. The key failure of Basel II was its reliance on pro-cyclical capital controls, and one of the Basel III reforms we should welcome is the introduction of counter-cyclical buffers. I think it is also true to say that Basel II was too complex. It was based on a pillar structure that was both difficult to understand and unable to anticipate systemic risks to the banking system or, indeed, manage financial innovation. As my right hon. Friend pointed out, it was unable to predict the chaos that credit default swaps and collateralised debt obligations would create throughout the world. There needs, therefore, to be an increase in the capital and liquidity banks should hold.

I disagree, although only slightly, with my right hon. Friend in one respect, however. Basel III does introduce a powerful counter-cyclical element of up to 2.5%, which may be significant in preventing future problems. There is also a balance to be struck.

Charlie Elphicke (Dover) (Con): Is the hon. Gentleman aware that Basel III also seems to introduce an incentive for increased invoice discounting and trade factoring, and is that not slightly undesirable?

Mr Bain: The hon. Gentleman raises an interesting point. I was about to make the point that Basel III strikes a balance between protecting the taxpayer and the state and promoting economic growth. I understand the banks have been lobbying to try to diminish some of the effects of holding extra capital. Indeed, when I met a representative from Lloyds Banking Group in Glasgow on Friday, he lobbied me to take that position.

What we have witnessed is a crisis that began in the housing and asset price markets in America. It spread to other countries and to the banks of other countries, and it has now also spread to the state. It is important that the taxpayer can see that there are buffers to prevent the state from having to bail out banks across the globe. Having a counter-cyclical element should help achieve that.

The Government should continue the work the previous Government did in pursuing the issue of getting a global deal on bankers' bonuses. If they do not, or if they are unable to achieve a global deal, the UK and the EU should be prepared to take a lead in giving greater transparency and reducing some of the terrible incentives to sharp practices in the last decade.

Across the world, we are seeing the terrible effects of a credit crunch causing a banking crisis, in turn causing a deficit crisis and then a growth crisis. In the coming months and years, we need to put in place a policy that sorts out the system for good. We need a policy that learns the lessons from the crisis and ensures the taxpayer never has to foot a huge bill for the terrible behaviour of a greedy few.

5.25 pm

Sajid Javid (Bromsgrove) (Con): I thank the right hon. Member for Oldham West and Royton (Mr Meacher) for securing this debate, which is a valuable one to be having in the House. I draw the attention of hon. Members to my entry in the Register of Members' Financial Interest, which is a legacy of my spending 18 years in the banking industry. Before Labour Members get a bit too excited by that revelation, as many have unfortunately done in the past, I should say that for the past three or four years I felt that the profession of banker was possibly the worst to have in the eyes of the public, but that was before I became a Member of this illustrious House.

The motion states that we want to

"prevent a recurrence of the financial crash".

Obviously we are all united on that, but it is important that we examine the causes of the crash, which we could debate for a long time and go round in circles. I am sure that many rational people will disagree on the responsibilities of banks and bankers. I may have misunderstood the motion, but it seems to suggest that banks are entirely responsible for the financial crash. That is wrong and it does not do justice to Members of this House or to our constituents in preventing something like this from happening again.

The financial crash happened because too much money was chasing too few assets—financial assets or real assets such as real estate. There are three principal reasons for that, the first of which was that world financial reserves, particularly in the east, were growing at a substantial rate. Indeed, they continue to do so, as more people in the west consume goods from the east. To give just one illustration, China's financial reserves in 1990 were $165 billion but today they are $2.65 trillion. Those reserves needed to find a home.

The second reason is that commodity prices have grown substantially, partly as a result of the growth of the east and other emerging markets, and that has led to a substantial increase in sovereign wealth funds, both in the middle east and in other markets. Those funds also needed to find a home, and they created a colossal wall of money when combined with the financial reserves.

The third reason is something that bankers have called the "Greenspan put". Alan Greenspan became chairman of the Federal Reserve in 1987, just before the Wall street crash, and one of the first things he did when he found a problem in the financial markets and a potential crisis brewing was to lower interest rates as quickly and as substantially as he could. That happened again when the US Federal Reserve led the way after the

dotcom bubble burst in 1991, again when Russia had problems and there were problems in Asia, and it has just happened again. Bankers have got used to that approach and it results in what the markets call a "put", whereby they feel they can sell assets if things go wrong. That has encouraged bad behaviour and a moral hazard: the idea among many bankers of "heads we win, tails the taxpayers lose."

In addressing these issues, we must not forget those key facts about what caused the crisis. However, bankers did play a significant role and there are things about banks that we need to examine. Although there are issues to address in respect of financial derivatives, I would not make that the key priority. The first thing to examine is the idea of retail banks and commercial investment banks acting as one entity, because that seriously needs to be looked at.

I started working in the banking industry in New York in 1992. Under the Glass-Steagall Act, which was in place at the time, the bank I worked for had to have a completely arm's length relationship with its retail banking division. That made a big difference to the risks the bank took or even contemplated taking. That situation changed in the late 1980s in Britain, when the big bang took place and the implied Glass-Steagall arrangement disappeared, and it formally changed in the United States in 1999 when that Act was removed. It is vital to examine that. The second thing to look at is, as has been mentioned, banking capital itself.

Mr Chuka Umunna (Streatham) (Lab): Would the hon. Gentleman be prepared to share his thoughts on whether we should return to a Glass-Steagall model, which I understand the Clinton Administration did away with when in office?

Sajid Javid: There are some considerable merits in that model and given what has happened we should consider it seriously. I hope that the Vickers commission does that.

Secondly, we should consider the banks' capital requirements. It is right that under Basel III capital requirements should be lifted. The core tier 1 capital requirement will be lifted from about 2% for banks to about 7%. Some points are still missed, however. The focus is far too narrowly on the default risk of assets and we have strange incidences even with default risk—for example, under the new proposals industrialised sovereigns are still considered to be risk free. As we speak, Ireland's 10-year Government bonds are trading at more than 11%, Spain's 10-year bonds are trading at more than 6% and Germany's are trading at more than 2.5%, but they are all treated as zero-risk weighted and no risk capital will be set aside. No account is taken of liquidity, either. One of the largest problems for banks over the past three or four years was lack of liquidity, but the capital requirements do not take full account of that.

One of the biggest mistakes that made Britain's situation far worse than that of other countries was the change in regulation when Tony Blair's Government first took office. The jobs of people at the Bank of England, who knew what they were doing, were taken over by people at the Financial Services Authority, who did not know what they were doing. I remember an FSA audit where the chief auditor of my credit derivatives book, which had a market value of more than €100 billion, was a 27-year-old with a degree in biology. It is no wonder that problems started to happen. We do not necessarily need more regulation, just smarter regulation.

There are many issues to consider that we could debate for a long time. Banking regulation is one such issue, but we do no service to our constituents if we merely focus narrowly on it when we consider the lessons of the financial crisis.

5.32 pm

Mr George Mudie (Leeds East) (Lab): I compliment the hon. Member for Bromsgrove (Sajid Javid) on a thoughtful speech. At one point, I disagreed with him and at other points I found myself very pleased with the sentiments that he expressed. The Backbench Business Committee deserves congratulation for tabling the motion and I hope we will have more opportunities to discuss the subject in Government time. We must reach consensus if we are to get this right.

I worry, particularly against the background of what is happening in Ireland, that we are going too slowly. There was an argument in the beginning that we should not do things in haste and that was sensible, but three years on from the time Northern Rock went down we should be starting to implement some of the measures, not merely discussing them. I know that there is an international context, but on the domestic front we should be further forward than we are.

The Government's amendment mentions matters such as "regulatory architecture" and "prudential regulation", both of which are part of the package that is going through the Select Committee on the Treasury and that will eventually come to the Floor of the House. I am not sure that they alone will matter. Basel III, according to the Governor of the Bank of England, "won't prevent another crisis". I think that is fair.

So, Basel III, regulatory architecture and prudential regulation are what the Government initially—certainly in this low-key debate—are putting forward as important. They are secondary to an acceptance by those who are in the banks and who own the banks of the fact that they need regulating and that they should share the objectives of the regulators. Sadly, in the past three years I have not seen any signs that that has been accepted at a senior level in the banks. If we were to look for one person, organisation or thing that started or caused the crisis, we would be wrong, but central to it were the banks' securitisation exercises and adventures, which paralysed the whole financial structure and the wholesale markets. They must be accepted as a major part of where we are now and of what we have gone through.

Jim Shannon (Strangford) (DUP): The last bank bail-out—for the Royal Bank of Scotland, Lloyds TSB and HBOS—cost £37 billion and we were told that there would be conditions on staff bonuses, but nothing has happened in the past three years. Does the hon. Gentleman agree that one of the things that annoys people the most is the bonuses that go to staff members when the banks are not doing their job?

Mr Mudie: The hon. Gentleman makes a very powerful point which links with a point I was about to make. I have described the regulatory structure. There are differences

[Mr Mudie]

between regulators throughout the western world, but the fact that they were all caught out shows that structure is secondary and that changes to structure alone will not prevent another crisis. We have all been affected despite those different structures, so one cannot attack regulatory structures or see them as a salvation. I regard such restructuring as simply rebuilding the Maginot line: it shows the public that we are doing something, that we are hard at work and that there is something concrete, but when it comes to effectiveness, it would suffer from the same deficiencies as the original Maginot line, so I do not think that structure matters.

If the banks, the bankers and their shareholders do not accept that they have to change their practices then what do we have? We have no regret from the banks and no acceptance that they played a part in events. Let us consider their behaviour over bonuses.

Andrew Bridgen (North West Leicestershire) (Con): Will the hon. Gentleman give way?

Mr Mudie: Let me finish my point and I certainly will. The behaviour of the banks over bonuses at the senior level is obscene and offensive to every one of our constituents. At a meeting on Saturday morning, I spoke to someone whose wife works for Halifax. She is going to lose her job. If one speaks to people in every part of the community one finds that they are looking forward to 2011 with great worry and concern because more than 100,000 of them are going to lose their job in the public services alone.

Mel Stride (Central Devon) (Con): Will the hon. Gentleman give way?

Mr Mudie: Excuse me for a second. Given the amount of money that the state has pumped into the banks to rescue them, it is unacceptable that bankers and senior bankers still, at this stage in the game, demand obscene bonuses at levels that many people could never think of earning even when they have worked all their life. That shows a state of mind that is not exactly right. We hear that if all that does not work, Bob Diamond will take business away from the UK. What on earth is the point of spending time building up a regulatory structure if that is the attitude? For safety, I join the hon. Member for Bromsgrove (Sajid Javid) in thinking that Glass-Steagall is a good alternative, but unfortunately for us both, as we move in that direction the Governor of the Bank of England seems to be moving in the opposite direction. We can never pin that man down, can we? I think that is the direction we should go in.

In the minute that remains, I shall explain the reasons other than safety why I support a move in that direction. I know that this might mark me out as old-fashioned, but I want the retail banks to go back to the fine role that they have historically played in financing individuals and small and medium-sized enterprises. That was their function and they did it very well, but that has been lost because the emphasis has shifted to the investment side of banking. If we are talking about rebalancing the economy, the engine for growth must be the banks. If we can get them to move across to their old role and let the investors go off and play their casino games, our real interests will be satisfied because we will get people in the financial world to focus on the productive side of the economy.

5.39 pm

Andrea Leadsom (South Northamptonshire) (Con): It is always a great pleasure to speak after the hon. Member for Leeds East (Mr Mudie), who is a colleague on the Treasury Committee. He always talks a lot of sense and has explained clearly how frustrated people in Britain feel about bankers' bonuses.

I am amazed at the wording of the motion. To suggest that no action has been taken so far to prevent a recurrence of the financial crash is quite bizarre.

Andrew Bridgen: The hon. Member for Leeds East (Mr Mudie) talked about no regrets, no contrition and no admission of guilt for taking bonuses. Does my hon. Friend think he was talking about the bankers or former Labour Front-Bench Members?

Andrea Leadsom: To give a cautious answer, I think there was an element of both.

Last week, I had a meeting with senior bankers and the chief counsel of one bank. They certainly have the sense that the world has changed dramatically for them since the financial crash. As we would expect, both internal and external forces have combined to change things significantly. Tier 1 capital ratios are already significantly higher—from the 2% core at the time of the crisis to about 7% now, which is after all what Basel III will require. Leverage is significantly lower, at an average of 20 times, from about 38 times pre-crash—a considerable change. Many banks welcome the existing proposals to establish a clearing house for over-the-counter derivatives.

According to Hector Sants, the Financial Services Authority has quadrupled the extent of its regulatory investigations. He has even made comments about how afraid banks should be of him. The Bank of England special liquidity scheme still provides about £130 billion of liquidity to banks, enabling them to switch illiquid but good assets for Government bills. All those things are important changes, and they are only a few of the steps taken so far.

Still to come, in 2011 and 2012, are the new regulatory structures in the UK and Europe that will radically improve regulatory accountability. Instead of the FSA looking to the Bank of England and the Treasury for solutions—as in the case of Northern Rock—we will in future have a far stronger Bank of England. It will not just have responsibility for monetary policy and as lender of last resort; the Governor will also be ultimately responsible for individual bank supervisions and, critically, through the Financial Policy Committee, for the overall health of the financial system.

To speak of no action is completely wrong, but that is not to say that a lot more could not be done. It certainly could, and especially about two things: accountability and competition. Specifically, the competition issue worries me at all levels of banking. If we go back to Adam Smith and "The Wealth of Nations", we see that to have successful free enterprise, we must have free entry and free exit for market players, but looking over the past 20 years, we see that consolidation in banking and the increasing costs of regulation have helped to create an industry where there are huge barriers to entry.

Justin Tomlinson (North Swindon) (Con): Does my hon. Friend agree that it is also essential to maintain diversity in the financial services sector to improve competition and drive down consumer costs and charges?

Andrea Leadsom: Absolutely. I was about to make exactly that point. Not only have there been far too few new entrants, we have seen only recently that banks are unable to fail; we cannot risk allowing a bank to fail, as the situation in Ireland has highlighted yet again. Regulation has trumped competition for too long.

It is not simply a matter of being too big to fail. Some of the biggest continuing concerns are about the medium-sized banking sector in the States and in Germany. The same mistakes must never happen again. We need to look to where the next crisis will come. It is absolutely key to introduce more competition and more accountability, and I would consider three areas.

I should not look to split retail and investment banking, which are artificial barriers. They may have worked in the 1920s and 1930s, but now they are too big a grey area. We simply could not do it. Bankers would just find clever ways to get round such measures.

I declare an interest. I have been in banking even longer than my hon. Friend the Member for Bromsgrove (Sajid Javid), as I have been in investment banking and funds management for 23 years. I assure the House that I have seen from all ends how clever bankers are when they want to get round something.

To address competition in the retail and mortgage markets, I would consider ways to let account numbers follow the consumer—one of the biggest barriers to moving an account, as we probably all know. I should love to know how many Members in the Chamber have changed their bank account or mortgage account recently. It is a huge headache. If we let the account number follow the consumer, that would immediately create far greater competition and far greater choice and availability of moving. It could also remove barriers to entry.

Secondly, to address competition in wholesale markets, I would consider giving the new Consumer Protection and Markets Authority a specific competition objective, which would mean that one of its roles would be as a specialist competition commission—not just the Office of Fair Trading, but a specialist commission—that would consider whether, in a particular sector or in a particular geographic region, a bank had a monopolistic or oligopolistic market share. It ought to have a statutory ability then to enforce its recommendations.

Joseph Johnson (Orpington) (Con): Does my hon. Friend agree that the role of regulators in promoting and sustaining competition in the UK financial services market has been greatly complicated by the decision of the previous Administration to allow the merger of Lloyds and HBOS, and to waive all competition criteria which would normally have been applied to such a merger?

Andrea Leadsom: That is absolutely right. We are certainly in a worse position than we were pre-crisis in terms of a lack of competition and massive market share. The five top players in the UK dominate the mortgage market, the retail market and much of the wholesale market.

The third thing I would do is ensure proper pricing of bank risk. That is where one of the fundamental problems has been. Credit ratings agencies are culpable in their own activities, and banks are culpable in following the lead of credit ratings agencies and not bothering to do their own proper credit analysis. Part of that I put down to the fact that it has been far too easy for professionals and retail investors simply to buy bank debt and equities, without bothering to do their own analysis because there has been an implicit Government guarantee. The credit ratings agencies have automatically made them all double A or triple A, so it seemed like a no-brainer.

Unfortunately, there has been no downside, and something must be done to change that radically to ensure that there is a downside to investing in bank risk. Measures such as living wills, and subordinating bond-holders to depositors and equity owners, are ways to ensure that in future it is not the taxpayer who pays for banks' mistakes.

Finally, if competition and accountability are to be the revolution in financial services for the future, it is essential—going back to what the hon. Member for Leeds East, my colleague on the Treasury Committee, was saying—that bank directors take some responsibility. Directors who break a bank should be fired, without bonuses, pay or early pension, and if criminal negligence can be shown, the ultimate penalty of prison should not be ruled out. Accountability is key.

5.47 pm

Mr Chuka Umunna (Streatham) (Lab): I, too, congratulate my right hon. Friend the Member for Oldham West and Royton (Mr Meacher) on initiating this important debate. I welcome the fact that we are conducting it in a reasonably non-partisan way. I have listened with interest to the comments of my fellow Treasury Committee members, and the last three contributors in particular. Although I do not agree with everything that has been said, there is much common ground.

My general approach is that we should not set out to destroy the City. It makes a valuable contribution to our economy, not least to the tax take of the Exchequer. I spent much of my legal career working there and I know that a number of other Members present also worked there for some time. The important thing is that we reform the City so that it is run in the interests of all the British people, not in the interests of a few people in the square mile, as often seems to happen. Above all, let us reform it so that never again do any of our constituents have to pick up the tab for the mess in the sector.

We should be clear. All major political parties and Governments across the world bear responsibility for allowing what happened to develop. Let us face it: the consensus pre-crash was for a light-touch model of regulation. However, we should not forget—this is where I differ from some other Members—that it was ultimately the bankers who were to blame. Now we have to resolve what happened.

I disagree with the motion in that it suggests that nothing much has happened. I am glad to hear that other Members disagree with that. Let us look back to the G20 in April 2009 and recall what was achieved there, following the leadership demonstrated by the former Prime Minister. I remember him being ridiculed

[Mr Chuka Umunna]

as he went around the world trying to galvanise consensus on a set of outcomes, but the summit produced outcomes that have been built upon. Three come to mind. First, the leaders resolved to establish the Financial Stability Board, the successor to the Financial Stability Forum, and as a consequence the world has a standing body of Finance Ministers, regulators and central bankers, which seeks to provide early warnings of financial risks and has a greater mandate to promote financial stability globally.

Secondly, the leaders who attended the summit took concerted action to improve the quality and quantity of capital in the banking system, and I endorse the comments of the hon. Member for South Northamptonshire (Andrea Leadsom), one of my Treasury Committee colleagues, because what came out of it—with the FSB and the Basel Committee on Banking Supervision working together—helped to produce more stringent capital adequacy requirements and the minimum equity requirement will go up to 7%. Perhaps it is regrettable that that will not happen until 2019, and perhaps it could be sped up, but it has definitely made a difference.

Thirdly, the leaders resolved to endorse and implement new principles on remuneration, and, as a result, in the March Budget the former Government put in place the apparatus within which a remuneration disclosure scheme could be enacted.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Does the hon. Gentleman agree that, if there is greater transparency on bonuses, the threatened diaspora of bankers will be nothing more than hot air?

Mr Umunna: The apparatus would help to introduce greater transparency on bonuses, because if we want to do something about reckless remuneration we need to know about it. I speak to many people in the City, and, although some of course disagree with the measure, many accept that it needs to be introduced. Action was taken, but some measures are still outstanding.

Charlie Elphicke: Will the hon. Gentleman give way?

Mr Umunna: I am going to make progress, because I do not have much time.

I welcome the introduction of the independent banking commission, which the new Government were right to set up. Without pre-empting the commission, I firmly believe that we should separate retail from investment banking. There is some consensus on that, but it is a question of degree.

Steve Baker (Wycombe) (Con): Will the hon. Gentleman give way?

Mr Umunna: I am afraid I am going to continue.

Do we go for the Dodd-Frank model, which has just been implemented in the United States, or the Glass-Steagall model, which was in place from the 1930s until recently? Mervyn King has moved a little on the issue. At the Treasury Committee last week, he was very clear that he would not give his view on it until the Vickers commission reports, but Lord Turner doubts that it is possible to separate proprietary trading from commercial banking. That is why I am sympathetic to the Glass-Steagall model, but I am happy to see what the banking commission comes forward with.

I shall conclude by considering some wider issues. I should like two key outcomes from the reforms currently being implemented. First, to pick up on the comments of my hon. Friend the Member for Leeds East (Mr Mudie), we need to return to the notion of our banks as a utility. They are a utility and should be treated as such, because they are absolutely essential to our everyday lives. We have lost sight of their purpose, because we have a allowed a big, shadow banking structure to evolve while 1.75 million adults on lower incomes do not have access to basic banking services. I should like us to introduce a universal banking obligation, so that everybody has access to such services. It is a great shame that the Government have decided to do away with their commitment in the coalition agreement to introduce a people's bank through the Post Office, because that would have been very good.

Secondly, I agree with the hon. Member for South Northamptonshire that we need greater diversity in the sector. It is dominated by a few major players, and there has been only one start-up entrant in the market, Metro bank, since 2008. In particular, I should like serious consideration to be given to breathing life into the mutuals sector. Why do we not seriously consider remutualising Northern Rock and Bradford and Bingley, as opposed to privatising them, so that we increase the diversity of providers in the sector for our constituents?

There is no magic bullet when it comes to reforming financial regulation. The previous Government made a good start; it is absolutely crucial that the coalition Government build on that.

5.54 pm

Stephen Barclay (North East Cambridgeshire) (Con): It is a pleasure to follow the well-crafted speech of the hon. Member for Streatham (Mr Umunna). I, like him, welcome the chance to debate this important issue. I must preface my remarks by declaring, in the interests of transparency, that I too used to work in the industry. I worked on both sides of the regulatory fence—as a regulator in policy and supervision roles, and in the insurance and banking sector—prior to entering the House.

The depth of anger felt by our constituents is very much underestimated in the City and in Canary Wharf. Constituents might hear the technical jargon that is often used in such debates, but they are not confused by what went on: they know that senior bankers made big mistakes yet kept their massive payments; they are incredulous that the banks have returned so quickly to paying bonuses, as the hon. Member for Leeds East (Mr Mudie) said; and they are frustrated that the rhetoric of reassurance from the banks is so often at odds with their own experience as customers, particularly when it comes to the fair treatment of customers.

As my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) pointed out, the motion is—dare I say it—poorly drafted when it states that "no action" has taken place. Indeed, the hon. Member for Streatham endorsed that view from the other side of the House. There has been a flurry of regulatory initiatives, such as more intensive supervision by the Financial Services Authority following its admission of regulatory failure over Northern Rock; and on derivatives, which

the motion mentions, the capital requirements directive will subject contracts that are not cleared through a funding house to higher capital requirements. So, action is taking place. Likewise, the Government's amendment rightly focuses on structure and, indeed, prudential policy, but it is silent on the key issue on which I shall concentrate: enforcement against individuals in banks.

Before doing so, I must say that so far the debate has been silent on the short-termism fostered by the pension fund management, and in particular on the pressure that that puts on chief executives, who risk being fired if they do not add shareholder value. In banks, people fear missing the targets set by their chief executive more than they fear the regulator.

Charlie Elphicke: Is not one of the serious issues with bonuses, and the point that my hon. Friend makes, that there emerged a kind of cool option, whereby bankers could receive a bonus but never lose out? Should the system not be reformed, so that bankers are able not only to receive a bonus, but to incur a loss? That would align them more with the return on whatever their bank is up to.

Stephen Barclay: My hon. Friend is absolutely correct, and I shall come on to consider the quantum of fines that have been imposed, because it makes very strongly the point that he makes.

On the regulatory structure, I am sure that my hon. Friend the Financial Secretary to the Treasury will talk about the changes that the Government are rightly making, because we need to be clear who is in charge in the event of failure. The tripartite system did not make that clear. However, I am sure that he, like the previous Chancellor in his White Paper, accepts that there is no single institutional model to insulate us from a future crisis.

The Government are also right to focus on prudential policy, but I caution against a reliance on policy itself, because we need only look at how often it has changed. We are already on Basel III, Solvency II and MiFID II —the markets in financial instruments directive—and the next debate is on commission in the retail sector, which has been debated for many years.

To give a specific example of the flaws in new policy, let me direct the House to "best execution"—one of the features of MiFID that required banks to shop around to obtain the best price. It will not surprise Members to discover that when banks shopped around they happened to find, in accordance with their written policy, that the best possible price just happened to be the one offered by their investment banking arm. Notwithstanding, therefore, the limits of new structures and policy, I believe a clearing house for derivatives would be a welcome step and a key component in addressing opaque financial instruments, such as securitisations, which stopped people obtaining the required visibility in respect of bank balance sheets and which was central to stopping banks lending to each other. Alan Greenspan's claim that derivatives efficiently dispersed risk throughout the financial system ignored the concentration of risk in individual firms. We need only look at AIG to see the effect of that sort of concentration of credit risk.

A perhaps more technical point is that clearing houses should be more consistently valuing collatoralisation requirements across all banks. The reason for that is the different requirements that apply to UK and German banks, for example, in terms of their capital standards and liquidity requirements.

The most glaring issue that needs to be addressed is that of enforcement—in particular, the lack of transparency that goes to the heart of the sense among constituents that people have had a one-way bet. That was the point to which my hon. Friend the Member for Dover (Charlie Elphicke) alluded. To give an example, the failure of enforcement and the lack of a taxpayer's guarantee has been material, particularly now that investment banks are not partnerships; I do not think that many partnerships would have leveraged their capital up to 40 times, as many of the banks did. Put simply, the alignment of interest between shareholders who provide the capital and employees who allocate it is not as strong as was historically the case. That is one of the features of a shadow banking system in which the banks had no long-term interest in the securitisations that they structured and underwrote. We would not allow such a thing with an aviation or pharmaceuticals company; they could not design and profit from products that they expected to fail, as Goldman Sachs did with the Abacus deal.

In the final minute allocated to me, I turn to the quantum of fines. To put the matter in context, no fine has been imposed on any senior executive at HBOS, HSBC, Barclays, Lloyds or Royal Bank of Scotland. The biggest three fines, applied to Northern Rock, amount to less than £1 million—that is, less than the chief exec earned as a bonus the year before. The fines were subject to 20% and 30% discounts as a result of early settlement and on the grounds of hardship. For that reason, our constituents feel that no one has been held accountable. They have seen people walk away with the profits without being held accountable for the things that went wrong. As the Minister looks at the structure and policy, we also need to learn the lessons of why enforcement against individuals has failed.

6.2 pm

Alison McGovern (Wirral South) (Lab): I begin by congratulating the Backbench Business Committee and my right hon. Friend the Member for Oldham West and Royton (Mr Meacher) on securing this debate, which has been illuminating and measured. I join the hon. Member for North East Cambridgeshire (Stephen Barclay) on the important point that he made at the beginning of his speech: in the City, there has been a lack of recognition of the depth of anger among many of our constituents. The hon. Gentleman is right about that, and I hope that this debate can start to set that issue right in some way.

I want to make three swift remarks. My first is about the tripartite arrangements. I want to take the House back in time. I well remember when interest rates were set by politicians. In many ways, our tripartite arrangements have been a success. As economists predicted before the change, Bank of England independence aligned to inflation targets has allowed an independence, a clarity, a robustness and a rule-based approach. It is important to recognise that. We have been discussing a lot, and people have rightly raised, some issues to do with the failures of regulation, but we need to recognise why we changed to the tripartite arrangements and consider the importance of that change in 1997.

However, today I want to suggest that we cannot just question and consider regulation, important though that is; we need to look for a change of culture in the financial services sector as well. Many people have already recognised the imbalance in respect of the major

[Alison McGovern]

role that financial services play in our economy, but I do not think that that imbalance is mainly regional—it is not a case of London and the south-east versus the rest of the UK at all. We know of the importance of banking in Scotland, and in my own area of Merseyside, many people work in the financial services sector or in organisations that contract to it. In 2007, such activity amounted to 14% of PAYE and 27% of corporation tax.

I want to make the point that the impact of the sector is not just that regulation might help or hinder small business; as we have all seen, it also has a massive impact on public services. Getting right the structure, regulation and culture of the sector is one of the most important jobs that we have to do.

I turn to the importance of the changes that we all want. First, on regulation, the issue is about not just capital requirements but the work that Basel III might—and must—do on liquidity requirements. In many ways, the credit crunch is misdescribed; it should be described as a "liquidity crunch". The question that we need to ask of all banks relates to their access to liquidity as much as to capital.

Whoever has the supervisory powers, whether the Bank of England or the Financial Services Authority, it is important to determine what those macro-prudential powers actually are. Furthermore, we must have a credible means, transparent and understood by all, of dealing with failed banks. A process needs to be in place. People have mentioned living wills. We need to make sure that what happens with failed banks is understood by all, so that the risks lie with shareholders and people within the system rather than with an implicit taxpayer guarantee. We will see that as the place that we are trying to get to.

Finally, I leave the House with this thought. If we are to understand the crisis that we went through in 2008-09, we must realise that it was not merely a crisis of regulation. The commission on banking reform that the Government rightly set up should listen to the Chartered Institute of Bankers in Scotland. It has warned Sir John Vickers that new regulation will fail if it is not combined with

"a firm commitment to embedding a culture of high ethical, professional and technical standards amongst bankers throughout the industry".

That point is really important. Those of us who see the importance of the financial services sector want a change in its culture as much as a change of regulation. That has to be about high ethical standards.

In conclusion, I hope that the measured nature and thoughtfulness of this debate will send a message to all about the seriousness in which we hold these reforms.

6.8 pm

Andrew Bridgen (North West Leicestershire) (Con): Thank you, Mr Deputy Speaker, for letting me catch your eye in this debate; this is a little different from the last time that I spoke. I remind you, Mr Deputy Speaker, that it is not the size of the dog, but the size of the fight in the dog that decides who wins.

This is an important debate because we need a vibrant, strong and confident banking sector if we are to see the essential growth that all hon. Members desire for our economy. Before we look to the future, it is important that we should address the problems of the past, including the very recent past.

Many Labour Members seem to be keen simply to bash the bankers and blame them for the financial crisis and recession rather than look at the causal and contributory parts played by their own former Treasury Front Benchers, including the former Chancellor and Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown). He has much to answer for, and I wish that he were in the Chamber more often so that he could do so.

Mr Umunna: Will the hon. Gentleman give way?

Andrew Bridgen: With pleasure.

Mr Umunna: In fairness to many hon. Members who have spoken from both sides of the House, I should say that there has been a recognition that although the crisis was not 100% the fault of the bankers, they bear a huge part of the responsibility. As I said when I spoke, I think that before the crash there was a consensus around the world that tended towards a light-touch regulatory regime. That is something for which everybody, on both sides of the House and in legislatures throughout the western world, has to take responsibility. That has been acknowledged in the Chamber. Will the hon. Gentleman acknowledge that that sentiment has been expressed during this debate?

Andrew Bridgen: The hon. Gentleman makes that point, but the previous Government encouraged and took part in an orgy of credit: in fact, they led it, and invited individuals and corporations to join in, safe in the knowledge that the former Prime Minister said that he had ended boom and bust, which now sounds as ridiculous as King Canute claiming he could turn back the tide. The taxpayer now has the hangover from that 10-year orgy of credit.

Under the former Prime Minister's watch, the Bank of England deliberately stoked a consumer boom that led to spiralling house price inflation and massive levels of personal debt. This is not just my opinion, but that of the previous Governor of the Bank of England, the late Lord George, who said of that period:

"We knew that we were having to stimulate consumer spending. We knew we had pushed it up to levels which couldn't possibly be sustained into the medium and long term."

That approach led to 20% house price inflation when the consumer prices index was running at 2%, led to financial institutions such as Northern Rock offering 120% mortgages, and ultimately led to a run on a British bank and the financial crisis of 2007. Opposition Members might blame America, global markets, or even the fact that we are not in the euro, as ridiculous as that sounds, but this misguided belief, and the hubris of the previous Prime Minister in believing that he had ended boom and bust, helped to contribute to the banking collapse. It is fascinating that the shadow Home Secretary—or perhaps I should say the shadow shadow Chancellor—stated that the cause of the deficit was not the previous Government's borrowing, but rather the collapse of tax revenues. He failed to recognise that tax revenues based on rapid house inflation and excessive consumer credit are totally unsustainable.

The failure of the previous Prime Minister's regulatory regime also contributed to the problem. It was clear in the early part of the decade that the UK had an unsustainable consumer credit funding gap: the IMF said so, as did the previous Governor of the Bank of England. The power to regulate had been transferred from the Bank of England to the Financial Services Authority and the Treasury, with an inadequate definition of roles and responsibilities. It was an absolute disaster, as was shown at the height of the Northern Rock crash, when Mervyn King was asked, "Who is in control?" and his answer was, "That depends on how you define 'in control'." The answer was that nobody was in control, and no one could see who was in control. One cannot have a third of a problem—one wants all of the problem or none of it. That was part of the difficulty.

So where do we go from here? I am a firm believer in sound money. A sustainable banking system is one where lending policies are closely in sync with the projected economic activity of the people it serves, not driving them.

Alison McGovern: Does the hon. Gentleman recall, as I do, that the previous Conservative Government left the country with a deficit of 3.4% which was going towards ongoing spending, unlike the debt in 2008, which accorded with the "borrow to invest" rule? In relation to sound money, what does he think about that?

Andrew Bridgen: I thank the hon. Lady for her point. She, like me, was not in this place at that time. I was in business running a corporation. I fixed the roof while the sun was shining, and I put my company into net credit three months before the banking crash happened.

We need a Government—and a regulator—who do not deliberately go to sleep at the wheel for political advantage, as the previous Government did. We must never let a bubble like the one that built up under the previous Government build up again. Our plan for growth depends on a sensible and sustainable banking system alongside more powerful incentives from Government. We must never return to the bubble that ended in the financial crisis and allowed banks to lend unsustainably under a tick-box regulatory system and a short-termist, feckless Government concerned more with political advantage than with the long-term interests of the country. In short, we need to look at creating a body that is solely in charge of financial stability and has responsibility for macro-economic supervision.

6.14 pm

John Mann (Bassetlaw) (Lab): It would be tempting to go into some detail on derivatives. Indeed, I have written a public paper about what should happen with over-the-counter derivatives, but suffice it to say that, for the purposes of this debate, I wholeheartedly support the proposal put forward by my right hon. Friend the Member for Oldham West and Royton (Mr Meacher), which is part of the solution. The concept that all derivatives could be exchanged in the way that he proposes creates complexity and is unsustainable, but the idea that there should not be large-scale clearing house involvement is of great importance.

The opaqueness of the current situation spreads beyond the financial institutions into the largest corporations, which represent about 7% of a market that is specifically concentrated on this country. That is part of the meat of the issue, and it surrounds the financial crisis that we and the rest of the world faced. Very little attention has been given to this in recent times, or at any time since the financial crisis, but the principle must be one of transparency. Otherwise, we get insider trading—the sharing of information. Whether it is done legally because laws are not strong enough or illegally, there is an imperative towards insider trading because it is so lucrative. This opaqueness is fundamental to the problems that we have had, and we have seen it in other sectors such as insurance.

That opaqueness, together with huge bonuses—however they are described by the industry—will lead to people making unsubstantiated claims and reckless gambles. If they have no personal liability—in other words, if they are gambling with other people's money—which is precisely the problem we had in the run-up to the financial crisis, then there is no comeback, and banks can go out of business. We have seen that with the biggest banks, including Lehman Brothers. One day, the executives are seen scuttling out with their files, and the next day—or perhaps a year or two later—they are coming back into the financial world with more huge salaries and huge bonuses: ever onwards, ever upwards. That is the mentality that underpinned the crisis.

It is not only I or my right hon. Friend the Member for Oldham West and Royton who have this problem but the head of the stock exchange, who said to the Treasury Committee, in relation to the lack of clearing houses and the risks involved, that we are potentially sowing the seeds of the next financial crisis. The conflict between the stock exchange, and others who backed it, and the Government needs to get greater public exposure because it is fundamental to the Government's weakness in failing to understand that instead of short-term remedies, the creation of transparency is fundamental to the solutions we need.

There were three major problems in the financial crisis. First, we have heard about people living beyond their means—well, the people who were living way beyond their means in this case were those in the financial institutions. That was not properly recognised at the time, or properly regulated. They were borrowing money against something they did not have—a hope, an expectation, a guess for the future, presuming that it would come right in the end—and of course they were personally incentivised so to do.

Secondly, there is off shoring. We have not done enough in this House—I am critical of the previous Government in this respect, as well as the current one—to deal with the British dependencies that are fundamental to the opaqueness of off-shoring. We can do a significant amount about that.

Thirdly, the big investment banks are ferociously competitive in some areas and form an oligarchy in others. They allow no real competition and dominate with their excessive fees and powers. If we get on top of that, the House and the Government—whichever party is in power—will be able to avert future financial crises. If we fail to do so, the next crisis, whether it is in the short or medium term, could hit us just as ferociously as the last.

6.20 pm

Mel Stride (Central Devon) (Con): I rise to speak against the motion, not least because of the argument made by my hon. Friend the Member for South

[Mel Stride]

Northamptonshire (Andrea Leadsom) that implicit in the motion is the suggestion that the Government have done nothing to avert a future banking crisis. I also believe that the motion is too prescriptive at a time when these matters are being considered in detail, not least through the Sir John Vickers commission. This Government set up the commission and released its issues paper as recently as last September.

Huge complexity, tensions, conflicts and dangers are inherent in the development and implementation of policies that are designed to stabilise the banks. Many hon. Members have spoken about banks being too big to fail. It is true that if we have banks that are too big to fail, there is moral hazard in the actions of those who run them, because they always know that the taxpayer is there to back them up if necessary. In such situations, there is an element of unfair competition in that larger banks, backed by the taxpayer, can afford to take larger risks. However, we are also told by many in the industry that size is a function of competitive advantage and that being big is important in global markets.

Many hon. Members have rightly mentioned capital asset ratios. It is important that banks strengthen their balance sheets and that Basel III is implemented, yet there are inherent dangers even in that. PricewaterhouseCoopers has estimated that the implementation of Basel III in the UK will result in £600 billion put into increased capitalisation, which could in turn reduce growth by between 1 and 2%. I therefore welcome the fact that Basel III will not come into full effect until about nine years' time.

Matthew Hancock (West Suffolk) (Con): Does my hon. Friend think that it is inconsistent to argue both that the banks should lend more to small businesses and that the improvement in capital ratios should be speeded up, as we have heard from some hon. Members?

Mel Stride: That is precisely my point. If we speed up the rate at which the banks have to recapitalise, there is a real danger that we will choke off the supply of lending. There is an argument that lending is not just about supply, but about demand. Companies are not taking up many existing bank overdraft facilities, so it is conceivable that there is an issue with demand, as well as with supply.

We have heard a great deal about the importance of united global action. In an internationally competitive world, there is such a thing as regulatory arbitrage. If one jurisdiction adopts a particularly light approach to regulation, vast sums of money can flow in that direction. However, as the Chancellor of the Exchequer has pointed out, our country needs to retain flexibility to reflect the particular conditions in our banking markets.

I agree with many of the comments on the importance of transparency in corporate pay, and in particular bonuses. I accept that because banks can ultimately turn to the state and the taxpayer for support, we have a right to take an interest in that matter and to see that fair dealing prevails. However, I concur with Sir David Walker's recommendation that we should act in a united way globally so that we do not disadvantage countries that might move on their own.

We have heard very little about taxation on banks. I congratulate the Government on being the first to introduce a permanent tax on banks. However, the arguments about taking out capital that banks might otherwise lend also pertain to that measure. We want the banks to lend more, but the picture is not clear as to why they are not lending, as I alluded to in response to my hon. Friend the Member for West Suffolk (Matthew Hancock). It may not be just a lack of supply owing to recapitalisation and a greater aversion to risk among the banks, but to do with a lack of demand among companies, many of which are focusing on paying down debt, rather than taking on more.

My hon. Friend the Member for Orpington (Joseph Johnson) and the hon. Member for Bassetlaw (John Mann) mentioned competition. This country has a highly concentrated banking sector and it became more concentrated after the financial crisis, when some foreign lenders withdrew and some banks amalgamated. Lloyds and RBS make up 50% of lending to the retail, mortgage and small and medium-sized enterprises sectors. That is a huge degree of concentration. There are high barriers to entry to banking, not least the very regulation that we are discussing. Over the past century, the only new high street bank, disregarding demutualisations, has been Metro Bank, which was created last year. On the other hand, Australia and Canada have highly concentrated banking sectors and seem to have been spared the worst of the financial crisis.

I welcome the Government's approach to Basel III and their setting up of the Financial Policy Committee, along with its oversight role in relation to the Bank of England and the Financial Services Authority. I particularly welcome the setting up of the Independent Commission on Banking under Sir John Vickers, which has been welcomed broadly by business, including in a recent speech by Richard Lambert, the director general of the CBI. I welcome some of the approaches that the Government are taking to encourage equity finance to increase above the current level of 1 or 2%.

I fear that stalking the perimeters of the debate on the Government side and perhaps at the heart of the debate on the Opposition side is the idea of bashing bankers and of revenge. The hon. Member for Streatham (Mr Umunna), who I think is no longer in the Chamber, denied that that was what he said. However, when he was speaking, I jotted down his reference to bankers being "to blame". That is the kind of populism that we must get away from; emotionalism must not triumph over the rational when we consider such issues.

This is a highly important sector in which we have a world-leading position and we must retain that. Protectionism, trade imbalances and exchange rates are threats, but I argue that we must not lose momentum on banking reform, particularly in countries that have not been as swept up in the crisis as we have, for what has bitten us may yet come round to bite them.

6.28 pm

Sheila Gilmore (Edinburgh East) (Lab): I speak not as somebody who has a banking background, but as somebody who represents part of a city that built much of its prosperity over the past 20 years on the financial services sector. I was encouraged and pleased to see many large banking organisations making their

headquarters in the city and am hopeful that we will retain as many as possible, although there is a risk in such a situation as this that we may not. That industry has been extremely important for the city and has stimulated many other industries, not least property and construction. However, as we have seen, there are clear dangers in becoming over-dependent on the financial sector, as opposed to other parts of the economy, and we must reflect on that.

Like all Members, I represent people who were baffled by a lot of what happened, and who remain baffled by what is happening. They feel that whoever is responsible, we have gone wrong somewhere in how we deal with what should be fairly simple matters such as how we can borrow and lend, and grow our economy. Although it might be naive to think that we could return to the simplicity of savings and loans organisations such as that featured in the film "It's a Wonderful Life"—it is a good time of year to think of that—we do need to return to some of the variants of financial services that we appear to have lost.

In the rush to demutualisation, with nearly all the building societies being turned into banks, we lost something very important in the sector. That has left a lot of distrust among many people. We talk about encouraging individuals to put their trust in saving, which is important for aspects of our economy, but many people do not have the faith and trust to do that. That cannot be healthy. It would be helpful if there were small and medium-sized organisations in which they had that trust.

I echo the view of my hon. Friend the Member for Streatham (Mr Umunna) that we have an opportunity to reconsider the mutual path when banks cease to be owned by the taxpayer. Those banks can go down a different road from the one that they have trodden. I hope that we will be able to consider that, because it would be healthier and better to have variety in our banking sector.

We hear many different views about whether there was too much or too little regulation. From the perspective of the consumer of banking services, it sometimes feels as though there were a lot of regulation of little things and not enough of the big things. When I get another letter from the bank to tell me about some small change in interest rates, or not even that, I feel that things have gone too far, especially when it is accompanied by a big booklet that, frankly, I do not read. I am sure most people do not. That is regulation taken to its extreme. Equally, however, it cannot be right that an organisation such as the Royal Bank of Scotland, which is of great importance to my city and country, was able to become so full of its own importance that it could decide to buy into ABN AMRO, which was the cause of a lot of its problems, without someone saying, "Stop. Halt. You can't do this."

Similarly, on the whole question of remuneration and bonuses, the ordinary person does not feel that what is happening is right or fair. They want us as parliamentarians to take a strong view on the matter. This debate is important, because there has been what some people would find a surprising degree of agreement and consensus that action needs to be taken. We need to translate that into not just a Back-Bench debate but Government action. If we do that well, we will restore people's trust not just in banking but in politicians.

6.34 pm

Steve Baker (Wycombe) (Con): Like other Members, I welcome this debate and congratulate the right hon. Member for Oldham West and Royton (Mr Meacher) on securing it. I will oppose the motion for two reasons. First, I believe that the Government have acted briskly within the terrain of the current debate. I will speak about that terrain, because I believe it should be moved. Secondly, I should like to challenge the notion that we should have a clearing house for over-the-counter derivatives.

I believe that the question of whether a clearing house should be provided, and under what circumstances, is a matter not for legislators but for the market. The problem with derivatives is accounting rules that allow profits to be recognised many years in advance, and that substantially reduce the capital requirements for derivatives in comparison with loans. That, of course, is inflationary in itself, stoking the activity that has caused the problem.

Not only has regulation of derivatives been of poor quality, but derivatives are susceptible to regulatory arbitrage. Indeed, as was mentioned earlier, financial institutions employ large teams of very intelligent people specifically to construct derivatives to arbitrage away the regulations that are put in place. A clearing house would obfuscate counterparty risk, with unintended consequences, and, as clearing houses always do, it would reduce the demand for cash balances in banks, thereby promoting inflation. For all those reasons, I believe it falls to us as legislators to create the right environment for banking, based on property and contract, not to mandate any particular solution such as a clearing house.

To challenge the terrain of this debate, I should like to take the House back to a landmark in the development of British monetary and banking orthodoxy—the Bank Charter Act 1844, also known as Peel's Act. It represented the victory of the currency school over the banking school. The former had realised that systemic crises and banking collapses were largely attributable to the excess creation of fiduciary media—that is, claims on money not backed by a fund of actual money. The Act, introduced by Peel, therefore eliminated the practice of banks issuing their own notes. Unfortunately, the currency school had not realised the economic equivalence of notes and demand deposits, so the Act left the banks virtually unmolested in their ability to issue fiduciary media.

My hon. Friend the Member for Bromsgrove (Sajid Javid) mentioned the wall of money that hit the markets, and we might reasonably ask where that wall of money came from. It has become common practice to say that interest rates were too low for so long, and therein lies the insight. When that happens, people are encouraged to borrow and the banks are encouraged to extend fiduciary media well in excess of real savings. Low interest rates ought to indicate prior production and real savings, but when central banks deliberately suppress interest rates and issuing banks pour fuel on the fire by issuing fiduciary media, what we find is that wall of money hitting the market. In our case, that money principally headed off into the housing market.

At the heart of our difficulties is the fact that there was an omission in the 1844 Act. The deposit-taking banking system is built upon that Act and a body of case law, which have left the banks with the legal privilege of treating demand deposits as their own property. That

[Steve Baker]

allows the system as a whole to create a wall of fiduciary media. That is the heart of our crisis, but it is not part of the mainstream contemporary debate, and I believe that it should be.

In the last minute of my speech, I should like to touch on some other issues that have not formed part of the debate, the first of which is risk management. The entire brilliant edifice of modern financial theory is built on the assumption that risk in markets follows a Gaussian distribution, but that is not true. Market events follow a long-tailed distribution, as Mandelbrot and others showed. I very much wish that risk managers would take that into account in their strategies.

If we were to look more broadly at the money and banking system, and ask ourselves how we could characterise it, we would find central planning, legal privilege, the socialisation of risk, Government monopoly, complex regulations that are often arbitraged away and, of course, ad hoc intervention. We would not find clear property rights, freedom of contract and the consequences of bearing one's own risks.

We have a lot to do in money and banking, but we must transcend the problem of blaming individual bankers. Yes, individuals have done much wrong, but the system is deeply flawed and we can trace its flaws back to the development of the British monetary orthodoxy. It is that orthodoxy that we must challenge.

6.40 pm

Chris Evans (Islwyn) (Lab/Co-op): I congratulate my right hon. Friend the Member for Oldham West and Royton (Mr Meacher) on introducing this debate. I do not know whether he remembers it, but five years ago he spoke in Gloucester about the economy—I was the Labour party candidate in Cheltenham—and warned that the banks were out of control. A lot of people looked on that uncharitably, but, sadly, he was proved right, which is why we are having this debate.

The debate is important because there is great anger out there about bankers. No matter what Government Members say, people blame bankers. When I first came to the House, BBC Wales ran a profile of me, the last sentence of which was:

"Since leaving university he's worked in bookmaking and in banking, which contrary to widespread belief are different professions."

Yes, there is a difference. I come from a family of bookmakers—my father and my mother were both bookmakers—and the one thing that was drummed into me as I was growing up was risk. As bookmakers, we understood risks, which is why we had odds. We always knew what would happen if we could not cover our losses.

When I joined the bank, naively I thought that I was joining an institution that I could be proud of and that set standards to which other industries could aspire. Unfortunately, I discovered that it was completely and utterly different from that. I was told to lend to whomever I could. I still do not understand the logic of saying to somebody who cannot afford to pay their bills every month, "Mr Customer, you need a £10,000 loan to get you through."

I got a warning for refusing to lend someone £25,000 in an unsecured loan, because—I was told—I was not thinking about the shareholders. That is the major problem. When I said to my manager, "This can't go on. This is madness—we're just writing people off," he replied, "Son, it's a sign of the times. You wouldn't go into a shoe shop and expect not to buy shoes." However, there is a difference. A person who goes into a shoe shop and buys the wrong shoes will get blisters; a person who goes into the bank and buys the wrong loan loses their house. The people at the bank did not understand that we were dealing with people's lives. They were arrogant and blasé—"We can't fail; we're great banking institutions"—regardless of the Barings bank failure in 1991. I well remember the chief executive of Barings at the time saying, "It isn't terribly difficult to make money in the City, old boy," but the bankers ought to have learned that it is terribly difficult for builders and plumbers to earn money.

The essential truth is that banking is simple—a bank lends money to someone and makes money through the agreed interest rate—but the banks made it complicated. In the debate this afternoon, I have heard about derivatives and arbitrage, but the average person who walks into their bank will think, "What relevance do derivatives and arbitrage have in my life?" The banks made lending into mathematical equations—someone mentioned a biology graduate—and sold debt on, so the money came from several different sources. Eventually, that massive tower block collapsed when the person at the bottom failed. I have been reading Ha Joon-Chang's "23 Things They Don't Tell You About Capitalism", in which he argues that we should ban complex financial instruments. That is an outrageous thing to say, but if bankers and economists do not understand such instruments, how can anybody else be expected to do so?

Before I finish, I want to return to the anger that people feel. In an article in *The Sun* today headlined, "Bank chiefs grab £15 million bonus", I read that Stephen Hester of RBS will receive £2.4 million, that Eric Daniels of Lloyds Banking Group will receive £2.3 million, that John Varley of Barclays will receive £3 million and that Peter Sands of Standard Chartered will receive £3.2 million. What message does that send to people? That money is absolutely obscene, including to people who work for those banks. I go back to my experience of working in a high street bank. We were kept on deliberately low wages. The only thing that kept us going was the promise of a bonus. They would say, "We want you to bring in so many leads so stay till 7 o'clock at night. Forget about your family. You've got to earn money and put some bread on the table boy."

That is still going on. Someone came to my surgery the other day and said, "I have to work till 8 o'clock every night because I've got to speak to the people I did not speak to in the day. I've got to get leads." No amount of Government legislation or regulation will change that.

Andrew Bridgen: Does the hon. Gentleman not agree, however, that it is

"the hope of reward that sweetens labour"

for us all?

Chris Evans: For people earning £12,000 a year and struggling to pay the bills, the pressure is on to stay after work and phone up leads to earn a quarterly bonus just to get through. That is not right. They should be paid a living, decent wage, which is what the Opposition support. I hope that everyone else will eventually do likewise.

Finally, as I said, no amount of Government regulation or legislation will change that culture. We need to say to the bankers, who were to blame for the economic crisis, "Either you change your culture, or the crisis will happen all over again." We had better start opening our eyes to that.

6.46 pm

David Mowat (Warrington South) (Con): One of the odd things about this debate is that those of us who believe that structural reform of the banking sector is necessary are characterised as being anti-free market, anti-capitalist and anti-banking. I am none of those things. In fact, I believe in the necessity of such structural reform precisely because I am pro-capitalism, pro-banking and pro-free market. The case for some kind of firewall, along the lines of the one introduced by Glass Steagall, is irrefutable. That will be considered by the Vickers commission over the next year but that is no reason not to discuss it here.

Mel Stride: Does my hon. Friend accept that the problems in Iceland and Ireland were caused solely by retail banks? The Lehman Brothers collapse presaged the financial crisis, but that was wholly an investment bank that never took a retail deposit.

David Mowat: I intended to address that later in my remarks, but I shall take it head on. Lehman Brothers was a bad bank and it rightly went bust. However, that affected a whole lot of other banks, which required massive Government bail-outs, because there was no firewall. Nothing in my remarks will imply that retail banks such as Northern Rock will never go wrong or need to be saved. Frankly, my hon. Friend's example makes my point rather than contradicts it.

Two or three hundred years ago, capitalism was developed by joint stock companies, which was a clever and wonderful thing. If such companies made the right decisions and were wise, they prospered and grew. The other side of that was that companies failed if they made unwise decisions or mistakes, lost money, or failed to recognise risk—Gaussian distribution or not. In the past 15 to 20 years, unintentionally, a new type of company has emerged. Such companies are not subject to the same penalties for risk as other businesses. That creates moral hazards and poor decisions. In the end, that was a large contributing factor to what happened in this country two years ago.

The arguments in favour of a firewall are overwhelming, but what are the arguments against it? The principal argument against a firewall has been the subject of the most intense banking industry lobbying imaginable, and I hope that when the time comes to legislate, hon. Members and the Government do not bow to it.

The first argument is that such a separation implies that investment banking, derivatives and all that goes with that are casino-type activities and of less value to society. I do not think that at all. I sold my business to investment bankers. I like investment bankers and I understand why we sometimes need derivatives. I have no problem with those instruments, but I do have a problem with the fact that if the people using them mess up, they cannot go bust, because there is not a firewall between their activities and the rest of the banking world. That is the problem.

The second argument was raised just now by my hon. Friend the Member for Central Devon (Mel Stride)—the Northern Rock and Lehman Brothers example. I will not repeat what I said, except to say that Lehman Brothers should have been allowed to go bust, but should not have been able to bring in billions of dollars of taxpayers' money after it, as it did.

The third argument is that a firewall would be too complicated: banking has now got global and is so mixed up that we cannot separate out investment banking and retail banking. Well, we can. The Basel III agreement contains a requirement that the capital considerations for each part of the banking portfolio be different. That can be done.

The fourth argument is that we can do all this with capital ratios and that if we impose them on banks we will not need this firewall, this separation. That is partly true, but actually they are not mutually exclusive—we need both—and, as was said earlier, capital ratios, unless we are careful, will shrink bank balance sheets and reduce lending at a time when we want more credit. What I am proposing would not do that.

The fifth argument is that, if we did this in this country, in front of the rest of the world, it would put our banks at a competitive disadvantage. That might be true—it is a reasonable argument—but I would say two things in response: first, the banking sector in this country is about four to five times as significant, as a proportion of GDP, as it is in any other country, so we ought to be leading the world in this regard. It matters more to us. Secondly, even if the argument is right, it is not a reason for us not to try to get the world behind us, create these firewalls and get this under control.

Steve Baker: My hon. Friend makes a compelling case. Will he consider the case of fixed-rate products—fixed-rate savings or fixed-rate mortgages—because it seems to me that such products are bound to bring the savings and loans business into contact with the investment business, through interest rate swaps?

David Mowat: I thank my hon. Friend for that intervention. My third argument was that these things are all so complicated and mixed that we cannot separate them out in the way I propose. I made the further point, however, that we have to do that, under Basel III. However, as recently as 15 years ago, firewalls were in place, so it is not that difficult and it can be done, if there is the will. The requirement on moral hazard is such an overriding necessity of capitalism that when it goes, it is terribly dangerous. And it has gone now, which is the guts of what we have been talking about for most of this afternoon.

I am not the only one saying that. Paul Volcker, who was previously head of the Federal Reserve, and John Reed—not the John Reid who used to sit on the Labour Benches, but the John Reed who used to run Citigroup—have asked for this firewall to be put back in place. The Governor of the Bank of England, too, said that of all the different ways we could choose to organise a banking system, the way we have chosen to do it in the UK is among the worst imaginable. We have to act on this. It is very important, and I hope that, notwithstanding the Vickers report, the Government will show leadership on this matter.

6.54 pm

Matthew Hancock (West Suffolk) (Con): I want to speak briefly at the end of what has been a very interesting and informative debate, which I commend the Backbench Business Committee on securing.

I welcome some of the measures that the Government have already taken, so in the light of this debate, I hope that the motion, which states that the Government have taken no action, will not be pressed to a vote. Many Members have accepted that the measures on tax, including a permanent tax on banks, the Vickers review into banking structures, the international push for transparency and the action taken to bring banks together to work on bonuses show that a strong work programme is in place already.

Mr Meacher: I do not want to take up time, because I have a couple of minutes at the end of the debate, but the hon. Gentleman picks up on a point I was going to raise. I did not say that no action has been taken. My motion states that

"no action has so far been taken which would prevent a recurrence of the financial crash".

That is a very different proposition.

Matthew Hancock: I thank the right hon. Gentleman for that intervention, because it brings me precisely to the final thing that the Government have already proposed, and which I think is central to preventing a recurrence of the financial crash: the decision to move the powers for prudential regulation to the Bank of England and to strengthen those powers.

Having quickly welcomed the action already taken, I want to concentrate on prudential regulation. The removal of powers of prudential regulation in 1997 was central to many of the things that Members on both sides of the House have talked about. The hon. Member for Islwyn (Chris Evans), who is not in his place, spoke passionately about how his managers were telling him to lend more no matter what the customer needed. That was part of the rapid expansion of banks' balance sheets, because there was no prudential regulation at the top of the size of those balance sheets. We also heard, from Government Members, about the rapid, uncontrolled run-up in balance sheets.

The idea of prudential regulation and having an institution exercising judgment, instead of just lots more rules-based regulation, has come of age. After all, the system before 1997, although imperfect, had prevented a run on any bank in the UK for 140 years, so it deserves some credit, and it deserves studying. So why would more discretion and judgment based in strong institutions work better than more rules? There are three key reasons. The first, as we have heard in many contributions, is that although rules can be set down in statute, statute can take a long time to change, whereas bankers can change and adapt very quickly. We have heard a lot this evening about regulatory arbitrage—another example of how financial institutions will change quickly to make the most out of whatever rules have been put in place on the ground. But the system cannot then adapt quickly.

Secondly and crucially, the system cannot adapt to innovations. We have seen massive financial innovation, especially with the development of computers over the past 30 years. However, to blame that innovation itself for the mess we are in ignores the fact that it was the lack of regulations—as my hon. Friend the Member for Warrington South (David Mowat) pointed out so eloquently, regulation is crucial to a functioning market economy—around these new developments and the attempt to regulate through explicit and specific rules, rather than the exercise of judgment, that was the problem.

Stephen Barclay: Is not one issue that mitigates the need for specific rules the regulator's 11 principles, which act a bit like the 10 commandments? For example: "Principle 1: you must act with integrity. Principle 11: you must be open with the regulator. Principle 3: you must have adequate risk management." It is inconceivable, given that those rules have legal force, that some of those catch-all principles could not be used in enforcement.

Matthew Hancock: They were not used, and that is the problem. A massive, heavy and expanding rulebook distracted the attention of regulators away from the big picture.

My third point about why discretion rather than rules is the best way for the future concerns the importance of the macro-economy, because we cannot separate monetary policy from banking policy. The size of banks' balance sheets is crucial to regulating the supply of money in the economy. Having counter-cyclical rules rather than pro-cyclical capital rules, as we had under Basel II, is crucial. The exercise of judgment over a bank's balance sheet is best done in the same place as the exercise of judgment over the macro-economy. Bringing those two things back together in one institution—the Bank of England—is a better long-term way of trying to wrestle with such difficult judgments than having them in separate organisations, which, as we heard in an earlier, eloquent speech, ended with the tripartite system, in which nobody was in charge.

David Rutley (Macclesfield) (Con): I do not know whether my hon. Friend is aware of this, but last week the deputy Governor of the Bank of England appeared before the Treasury Committee and said that he felt that the new twin peaks approach would be a much better model. He felt that the advantage was that it would remove the problems of underlap that were so obvious in the previous system. Whereas there might be some overlap under the current proposal, that has to be much preferable to the previous arrangements.

Matthew Hancock: That is a valid and important point. Central to that point is the judgment of people who look forward and have a broad view, looking after the health not only of the banking system, but of the macro-economy, while also having the ability to change the way they regulate according to changes in the economy, so as to take into account new developments, which is critical. Far from being the simple renaming of the institutions, bringing together macro-prudential regulation with regulation of the economy and monetary policy more broadly is central to restoring the ability to prevent the build-up of credit, as happened over the past 15 years.

Andrew Bridgen: Does my hon. Friend agree that it is better to have a regulator who is fleet of foot than a clunking fist?

Matthew Hancock: In my experience it is always better to be anything than a clunking fist.

I will end by saying this. We do not know what the future holds. We know that regulation is not perfect. It is therefore far better to have one person and an institution in charge of the regulatory structure who can exercise judgment to the best of their ability than it is to try to write a rulebook for a perfect system that we know we will never create. That is why I think that the Government have already put forward such a critical change to our financial architecture—a change that I hope will be accepted by the Opposition and which will form the basis of the good economic governance of our country for years to come.

Mr Deputy Speaker (Mr Lindsay Hoyle): I call Mr Morris. Are you going to be very brief?

7.3 pm

David Morris (Morecambe and Lunesdale) (Con): I am going to make only a two-minute speech, Mr Deputy Speaker.

This debate has touched a lot on the technicalities of how the banking system works, but I echo the passionate and eloquent speech by the hon. Member for Islwyn (Chris Evans). Commercial banks on the high street do not all operate between themselves in the same way. There are different clearance rates. Cheques can take up to 10 days to clear, which can put families who are in hardship even further into hardship. In the banks' eyes, banker's transfers do not occur on the same day, or even over four days. For example, one of our high street banks—one that is more or less state-owned—will take money out of a person's account instantaneously, but it will take over four days to transfer that money into another account in the same branch. I have a constituent who has a problem in that he paid off his credit card over the counter in a national high street bank, but was told that it would not be credited instantly and that this would take up to six working days. That is outrageous and should be touched on in the reforms, so that each bank is streamlined with the others. In many countries in Europe, such as Sweden, transfers are seamless and instantaneous. I would like the House to consider that.

7.4 pm

Chris Leslie (Nottingham East) (Lab/Co-op): I, too, congratulate the Backbench Business Committee and my right hon. Friend the Member for Oldham West and Royton (Mr Meacher) on setting up this thoughtful and well-tempered debate. A number of good ideas have been shared among all parts of the House. In fact, there has been much more consensus between the Back Benchers on both sides of the Chamber than between the Front Benchers. We will see whether policy can be shaped by the virtues of our debate, because there has been quite a lot to take away from these discussions.

It is important to reflect on the wide-ranging set of reforms needed to bolster our banks against a repeat of the credit crunch and, as we all want eventually, to create a financial services industry that is sustainable and diverse, and that serves the best interests of both savers and borrowers. There are a number of significant systemic reforms that it is important to reflect on. I shall touch on many of the comments that have been made, but the first point is to look at the motion that is before us. As we can see from the Order Paper, the Government and the Opposition each tabled an amendment to the motion, although neither of us were fortunate enough to have our amendment selected. For our part, although we agree almost entirely with my right hon. Friend, the element in the motion touching on derivatives requires a little more thought.

Many commentators have rung alarm bells about the swirling volumes of derivatives activity in the past decade, with multi-trillion dollar flows and British banks holding at least £1 trillion in derivatives. However, derivatives are, for good or ill, a reality of the modern global economy whereby companies and other investors gain exposure to an underlying asset or offset their exposure to that asset without actually buying or selling that asset in the first place. Derivatives are supposed to be designed to reduce risk and volatility for companies, employees and consumers. For example, an airline can hedge—or insure itself—against volatility in fuel prices by taking out a futures derivative, thereby offsetting its exposure to price changes. However, as my right hon. Friend and others have said, the problem is that betting on the future prices of financial assets has proved irresistibly alluring to traders and bankers, who can make billions off the back of this market without having to own the assets on which they are gambling.

There is therefore quite an irony in the fact that products that are intended to help alleviate risk have in many ways massively increased the systemic risk to the economy. Add to that the sheer complexity and opacity, as many hon. Members have mentioned, of some derivative products—collateralised debt obligations-squared, and so forth—and we end up with companies holding derivatives positions that their own management do not understand, failing to appreciate the risks involved. That is why the history of recent collapses has been intricately tied to that problem—including at Bear Stearns, Lehman Brothers, AIG, Long-Term Capital Management and even Barings—yet we have still not properly grappled with it.

The reason why we on the Opposition Front Bench cannot quite support my right hon. Friend's motion is that it essentially calls for an end to over-the-counter derivatives trading and the introduction of a central clearing house. I can see the attraction of that—the standardisation of products and the stronger likelihood that the regulator could peer inside and comprehend the nature of the risks involved—but the downsides are that derivatives could not be easily tailored to the specific needs of the buyer. With the vast majority of derivatives currently privately traded between two parties, the consequences of that structural requirement for exchange trading in all circumstances could be disadvantageous. For instance, could there be a constraint on the specific maturity of the futures options? Would we be unwittingly re-injecting risk into the economy by constraining the ability to hedge responsibly?

The Opposition need, however, to recognise the urgent and far-reaching reforms that are required. Do we need an urgent and thorough review of derivatives and policy on them? Yes, absolutely: both regulators and markets need more transparency in over-the-counter derivatives activities, particularly given the possibility of greater exchange trading. By the way, we also need greater scrutiny of the role played by the credit rating agencies, as the hon. Member for South Northamptonshire

[Chris Leslie]

(Andrea Leadsom) and others said, given that they have blessed many products with triple A ratings that did not necessarily translate into reality. Should we require greater registration and transparency in these over-the-counter deals? Yes, absolutely. There is too much secrecy, and the consequences for the taxpayer are ultimately too great.

John Mann: I am just trying to get my head round my hon. Friend's statement that there should be greater exchange trading of derivatives. Precisely how does he think that that should be enabled?

Chris Leslie: We do not necessarily need to end all bilateral trading of derivatives, but to pick up where the G20 in Pittsburgh left off in 2009. It resolved to move towards greater exchange trading, but not necessarily the end of all over-the-counter trading. I know that we disagree on this specific point in the wording of the motion, but it is important that we should be responsible when considering some of the reforms that are being suggested. It is good that the Backbench Business Committee has enabled this debate to take place today.

I have doubts about the Government's policy on this because they are leaving it very much to the European institutions to lead on this matter, and leaving it up to the European market infrastructure regulations, which are now emerging as the only likely vehicle for reform. It is striking that Ministers are happy to be led, rather than showing leadership on this matter themselves, especially as the UK financial services industry is at the forefront of many of these activities. I urge Ministers to be far more front-footed on these reforms, rather than hanging back and complaining that details and policy are being foisted upon them.

We also need to consider some of the other regulatory shortcomings that have been raised in the debate, including those relating to bonuses, to management incentives skewing behaviour, and to transparency. I do not want to be too partisan, but I find certain aspects of this situation astonishing. My hon. Friends the Members for Streatham (Mr Umunna) and for Leeds East (Mr Mudie) said that the Government needed to show more leadership on banker remuneration. We have seen the appalling confusion and weak will of Ministers even over listing the number of bankers earning more than £1 million. Even that seems to have been a difficult step for them to take.

It is a particular shame that the Business Secretary is not here tonight—at least we have a couple of Liberal Democrats representing him here—especially as he was so vociferous on this subject exactly a year ago in his article in the *Daily Mail*. He described the proposal to disclose simply the number of bankers earning more than £1 million as a "whitewash", saying that it would represent only "a small advance". He went on to say:

> "Shareholders who own the banks and the taxpayers who guarantee them have every right to know who is being paid how much and for what...Directors of public companies are already required to declare their earnings...The failure of Walker to grasp this is compounded by Alistair Darling's meek acceptance of his recommendations. There are splits in the Government...Taxpayers sign the bankers' bonus cheques, so we must see the names and numbers on them."

We clearly do not need to wait to see the Business Secretary's appearance on the Christmas special of "Strictly Come Dancing"; he is perfectly able to perform his volte-faces, somersaults and U-turns one after the other. He is performing spectacular political cartwheels more often than ever before.

Stephen Williams (Bristol West) (LD) *rose—*

Chris Leslie: I would love to hear what the Liberal Democrats have to say about this.

Stephen Williams: Let us see whether the hon. Gentleman can pirouette his way out of this one. During the last Parliament, probably the largest piece of legislation that went through was the new Companies Bill. Given that my right hon. Friend the Member for Twickenham (Vince Cable) called at that time for more disclosure in companies' reports about directors' remuneration, why did not the previous Government rectify that anomaly?

Chris Leslie: It is difficult for the hon. Gentleman to criticise the previous Government, when they put the statute in place ready to be triggered by the present Government. It is baffling to my constituents and to his that we cannot allow them to see the simple figure of how many multi-millionaire bankers there are. I am not suggesting that we reveal their names, just the number involved.

Matthew Hancock *rose—*

Chris Leslie: I am hoping that the hon. Gentleman is going to concede that that needs to happen.

Matthew Hancock: The hon. Gentleman is making an argument for rejecting the Walker review. I was not in the House during the last Parliament. Could he just tell us who commissioned the Walker review?

Chris Leslie: I am not making an argument for rejecting the Walker review. It recommended the disclosure of the numbers, but it is true that Walker has since changed his tune. The reliance on what he calls "regulatory arbitrage", and the suggestion that if we were to make that change here in the UK alone, we would suddenly see an exodus of the banking community, are absolutely fallacious arguments. We have a responsibility to show a lead, and surely the Government should be able to do that. It would be invidious if that were not the case.

In the short time available to me, I also want to walk through some of the other proposed changes that hon. Members mentioned. They raised issues about proprietary trading, and there are even more Government Members who are in favour of the Glass-Steagall split between investment and retail banking. There has been an interesting consensus on that. That might not necessarily be the right thing to do, but it is certainly worth consideration by the Vickers commission.

The structure of the sector has also been mentioned, as has the question of whether we need to revisit the issue of competition. My hon. Friend the Member for Edinburgh East (Sheila Gilmore) asked how we could remove some of the constraints on mutuals and credit unions, and on others entering the sector, given that the barriers to new entrants are too high. Indeed, I note the

very thoughtful speech from the hon. Member for South Northamptonshire (Andrea Leadsom), who mentioned a number of interesting ideas about how reforms might take place. I was quite taken by her suggestion about consumers' current account numbers being portable. Other interesting suggestions were also made.

Basel III and the question of cushions and reserves are clearly important for guarding against failure and reducing taxpayer liability, but do we need to pay similar attention to liquidity, as the hon. Member for Bromsgrove (Sajid Javid) and my hon. Friend the Member for Wirral South (Alison McGovern) suggested? Should certain institutions have greater cushions and reserves than others? Perhaps that is the subject for a more sophisticated debate at another time.

Other components have to be addressed as well, including the financial capability of consumers and consumer responsibility. Yes, consumers have a right to know more about the products and companies involved, but perhaps it is also important to have a debate about the responsibilities of consumers. That needs to be acknowledged. We need to revisit the question of fairness for the taxpayer, and for public service users, indirectly, as well. Unfortunately, we have heard too much back-pedalling on the banking levy and on the role that the banks need to play in repairing the public balance sheet—*[Interruption.]* The Minister suggests that he is not back-pedalling, but from what we read—albeit in the newspapers—it sounds as though the Government might reduce the percentages that they want to implement, as announced in the Budget, if they are going to stay within the proposed 0.04% in year one and 0.07% thereafter. I would be more than happy to give way to the Minister on that specific point if he wants to clarify that position once and for all. But perhaps he will keep that for another day. He has also been back-pedalling on net lending targets of the business, although that was in the coalition agreement.

It is important that we have these debates. They show that there is a thirst for democratic accountability on financial services policy. Perhaps one of the lessons that we learn is that simply delegating many of these issues to European institutions or to the regulators is inadequate. There is a democratic deficit, and Parliament has a role to play. Hon. Members who try to find out information on Financial Services Authority reforms and regulations sometimes struggle to get the necessary documentation from the Vote Office, which is not good enough. We need to recognise our role as legislators, because our constituents are watching how we behave. They are watching how we set policy, and they expect us to do that. We should not be blown around entirely by the regulators, by Europe and by the markets. Politicians need to lead, and Ministers need to show greater leadership, and I hope that the Government will do that.

7.19 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): It is a pleasure to take part in this debate, and I congratulate the right hon. Member for Oldham West and Royton (Mr Meacher) on securing it. I would like to pick up on one point that was raised by the hon. Member for Nottingham East (Chris Leslie) when he talked about the Government showing leadership. If I remember rightly, it was his party that said before the election that we could not introduce a banking levy on a unilateral basis. This Government have introduced such a banking levy, and it will raise £2.5 billion in a full year. That is what leadership is about. All that we have heard from the Opposition is that there is more disagreement on policy among the Front Benchers than among the Back Benchers. The problem is that the debate showed that those Back Benchers had more policy than the hon. Gentleman. Nothing in the 15 minutes for which he spoke told us anything about the future direction of the Labour party on the regulation of the financial services sector, other than his vague attempt to justify their decision not to vote for the motion. The right hon. Member for Oldham West and Royton has been hung out to dry yet again by his Front Bench.

It is vital that we learn and act upon—*[Interruption.]* I ask the hon. Member for Streatham (Mr Umunna) to let me continue. He will have his chance tomorrow in the Treasury Committee. It is good to see that the Leader of the Opposition's Parliamentary Private Secretary is already revving up for that experience.

It is right for us to learn the lessons of the financial crisis, and to act on them. We must think very carefully about the range of interventions that we make. It was clear from everything that was said today that a range of measures was needed. The hon. Member for Streatham himself said that there was no magic bullet, and that is true. We need to take a range of measures domestically, in Europe, and at G20 level, if we are to learn those lessons of the financial crisis.

Let us begin with what we should be doing at home. We know that the regulatory architecture introduced by the last Prime Minister was fundamentally flawed. As my hon. Friend the Member for West Suffolk (Matthew Hancock) pointed out, he took away the Bank of England's responsibilities for the regulation of banks. The Bank had the ability to spot threats to financial stability, but it lacked the power to tackle them. The last Prime Minister gave the FSA a dual mandate, which focused on the conduct of business to the detriment of prudential supervision.

Unlike the last Government, we have decided to reform the architecture and the approach to financial regulation, and to implement a structure that works. Before I outline the institutional reforms, let me set out the new approach that we want regulators to adopt. We believe that whether the problem is a threat to financial stability, a flawed business model or the mis-selling of financial products, regulators should intervene decisively and early to minimise its impact on our economy, on financial stability, or on consumer outcomes. The regulators will be required to demonstrate judgment and discretion, which represents a big change in attitude and approach.

However, we do not think that it is enough simply to change the approach; we want the architecture to change as well. We will establish a financial policy committee in the Bank of England with a dedicated focus on macro-prudential analysis and action, to ensure that risks that develop across the financial system as a whole are identified and responded to when that did not previously happen. The FPC will have a strong mandate to protect financial stability, with credible and knowledgeable external membership. It will be able to challenge the prevailing consensus, and to ensure that potential risks are identified, monitored and addressed rather than being ignored, as they were under the last regime.

The new architecture will also ensure that macro-prudential regulation of the financial system is co-ordinated effectively with the prudential regulation of individual

[Mr Mark Hoban]

firms, and that a new, more judgment-focused approach to regulation of firms is adopted so that business models can be challenged, risks can be identified, and action can be taken to preserve stability. That will be the responsibility of the new prudential regulation authority, which will be an independent subsidiary of the Bank of England.

However, it is not just a question of prudential stability. As a number of Members pointed out today, we also need to reform the way in which we look after the interests of consumers. We will set up a consumer protection and markets authority with a primary statutory responsibility to promote confidence in financial services and markets. Regulation and conduct within the financial system, including the conduct of firms towards their retail customers and the conduct of participants in wholesale financial markets, should be carried out by a dedicated, specialist body with focused and clear statutory objectives and regulatory functions.

As I said earlier, it is also not just a question of regulation. We need to think about the structure of the banking system. It was the last Government who closed down the debate about whether the activities of universal banks should be divided between investment and retail banking. We had the courage to open that debate, which is why we have established an Independent Commission on Banking, led by Sir John Vickers, to examine the structure of banking in the United Kingdom, the state of competition in the industry, and how customers and taxpayers can be sure of the best deal. The commission will consider issues of systemic risk and moral hazard, and will examine the complex issue of separating retail and investment banking functions, which was raised by Members on both sides of the House. It is due to deliver its report to the Cabinet Committee on Banking Reform by the end of September 2011, and its findings will help to shape the UK's banking sector for decades to come.

One of the issues that has been a focus of international debate is linked to the work of the independent banking commission. Recent interventions have reinforced perceptions that some institutions in particular are too big or too important to fail: the so-called systemically important financial institutions, or SIFIs. They pose a much greater risk to taxpayers and to the efficient working of markets. We believe that it is vital for us to eliminate that source of moral hazard, and to ensure that it is possible to resolve failing firms without triggering a systemic crisis or requiring support from taxpayers. The Government are taking an active role in the G20 and in the Financial Stability Board's work on the development of a robust, internationally consistent policy framework to address SIFIs and the risks that they pose. We fully support the principle that they should be required to have a higher loss-absorbency capacity than other institutions.

That is just one sphere in which international co-operation is needed. We recognise that financial stability cannot be achieved by any one country operating in isolation. The UK has a commanding position in international financial services, and the industry is global in character. It is therefore vital that we co-ordinate our actions with our international partners to ensure that we have effective means for dealing with threats as they arise. We have consistently argued for strengthened international financial regulation to address the failings that were laid bare by the crisis, and huge progress has been made in strengthening international regulatory standards. Getting these reforms right is vital for financial stability, but it is also vital for the future of our global financial services sector.

Capital was mentioned frequently during the debate. During the crisis, we learned that the banking system lacked the capital that was needed to absorb losses, or the liquidity that would enable it to survive when markets closed. We have been a vocal supporter of the G20's endorsement of the Basel committee's reforms to strengthen international capital and liquidity standards. Banks will be required to hold more capital to withstand losses, with the buffer of 2% core tier 1 required under Basel II being replaced by a buffer of at least 7% by 2019. I think that the long transition period gets the balance right. It strengthens the banks' capital position, but at the same time ensures that banks are able to lend and continue to sustain economic recovery. I believe that this crucial set of reforms will strengthen the resilience of the banking system to the long-term benefit of the economy.

The motion refers to derivatives. I think that the hon. Member for Nottingham East and I agree on one point. I believe that neither of us will support the motion, but we have learnt through the crisis that over-the-counter derivatives in particular lacked transparency and created a complex web of interdependence between the bilateral contract parties, which made it difficult to identify the nature and level of risks involved. The financial crisis has demonstrated how those characteristics increased uncertainty in markets in times of stress, and posed risks to financial stability.

Notwithstanding the comments made by the hon. Gentleman, the UK has shown strong leadership in reforming the derivatives markets. We have continually called for more transparency and central clearing of OTC derivatives. Internationally through the G20 and the Financial Stability Board, and in Europe through the European market infrastructure regulation, we are implementing vital reforms that will address the shortcomings evidenced by the crisis in the derivative markets.

The right hon. Member for Oldham West and Royton has proposed that the Government should establish a clearing house for approval of all financial derivatives. However, in the crisis, the private sector clearing houses successfully unwound the positions of defaulting members. Their prudent risk management meant that they did not need assistance from the public sector, despite being directly exposed to failing institutions such as Lehman Brothers. We therefore believe that clearing houses as private sector entities are able to manage risk effectively, but we also believe that central counter-parties should be bound by high standards given their systemic importance, and that those standards should be harmonised on an international basis. The Government are committed to ensuring that that happens.

The main aim of our reform should be the reduction of systemic risk in the financial sector. It should cover derivatives only when central clearing will indeed bring a reduction in systemic risk. Corporate end-users that trade derivatives purely for the purposes of hedging, as opposed to speculation, will be exempt from the clearing

obligation. That will reduce the cost that will be passed on to their customers. I reject the arguments in the motion.

The motion tabled by the right hon. Member for Oldham West and Royton fails to recognise the action that we have taken to reform financial regulation at home and abroad. We have done more in the past seven months than our predecessors did. We are building a new financial regulatory architecture and approach. Banks will hold higher amounts of capital so that their shareholders, and not taxpayers, will bear the losses when the next crisis comes. International reforms must strengthen financial stability, but they should be proportionate and should not choke off economic recovery.

Over the past few months, this Government have led the debate on financial reforms both at home and abroad. We are taking the action that is required to create a much more sustainable and stable financial system, and if the motion is put to a vote, I will urge my hon. Friends to oppose it.

7.30 pm

Mr Meacher: I was astonished to hear the Financial Secretary say he thinks that the regulation of financial derivatives in the last financial crisis was adequate, since it seems to me to be clear that that was not so.

This has been one of the most thoughtful, high-quality and rewarding debates I have taken part in, or heard, in the House for a very long time, and we must thank the Backbench Business Committee for bringing a new tenor of openness and genuine discussion into debates, rather than adversarial confrontation.

For Members who may be considering how to vote, let me state once again that I did not say that no action has so far been taken by the Government; I think they have taken action. I said that no action has so far been taken that would prevent a recurrence of the financial crash, and simply shifting regulation from the Financial Services Authority to the Bank of England is certainly not going to achieve that.

I took a brief note of the most important points made by each Member who contributed to the debate, and I was astonished at the high measure of agreement—I will not say consensus—on the issues and, to some extent, on what ought to be done. These included the following: the problem of the creation of runaway credit; the importance of Basel counter-cyclical capital controls; the separation of retail and investment banking; the need for a rebalancing of the economy, with the banks giving more emphasis to industrial investment; improved accountability and competition; the need for universal banking and the re-mutualisation of some banks, perhaps including Northern Rock; the need for higher ethical standards; the overriding need for greater transparency; the need for equity financing; and the need for greater diversification in banking structure. These are all issues—and I have missed out some—on which I think there is broad agreement across the Chamber.

Having had an extremely valuable debate, I hope Members will carefully consider the terms of the motion, as it is quite modest. It was designed to get broad cross-party agreement, and I hope it will achieve that.

Question put.

The House divided: Ayes 10, Noes 284.

Division No. 132] **[7.32 pm**

AYES

Corbyn, Jeremy
Crausby, Mr David
Durkan, Mark
Edwards, Jonathan
Illsley, Mr Eric
Mann, John
Shannon, Jim
Skinner, Mr Dennis
Williams, Hywel
Wood, Mike

Tellers for the Ayes:
Mr George Mudie and
Mr Michael Meacher

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karon
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Byles, Dan
Cairns, Alun
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Gummer, Ben
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon

Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howell, John
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and
Bill Wiggin

Question accordingly negatived.

Independent Financial Advisers (Regulation)

7.46 pm

Mark Garnier (Wyre Forest) (Con): I beg to move,

That this House has considered the matter of regulation of independent financial advisers.

I am delighted that my hon. Friend the Member for West Worcestershire (Harriett Baldwin) and I have secured this debate. As all hon. Members will know, this country finds itself in a dire financial situation, which extends deep into the private lives of many of our citizens. This country has the lowest personal savings ratio in the G20 and the highest level of personal debt, with half of all the personal debt in the EU borne by the inhabitants of these islands. We face a well-known problem of pensions underfunding, involving not just a deficit on pension liabilities but the fact that people are not putting enough aside for their retirement. Mortgages were taken out at the height of the boom, in some cases at levels higher than 100% of the value of the property to which they relate, and mortgage lenders worry about the next time bomb that may hit our economy—a trend towards interest-only mortgages. These are mortgages where the borrower hopes that inflation and an opportunity to downscale will pay off their mortgage. We also have a housing market in which many commentators still consider there is more readjustment to come.

It is against that background that we are debating the regulation of an important group of professionals, namely independent financial advisers. I am particularly keen to talk about that group because if we are even to begin to deal with the problems that I have outlined, we need a resource of professionals who will be able to spread the word and give sound financial advice to the wider population. The marketplace for retail investment advice in the UK is very diverse, involving banks, building societies, stockbrokers and some 33,000 independent financial advisers, as well some other players. It is fair to say that there have been problems in the past, and the Financial Services Authority suggested in its evidence to the Treasury Committee last week that there was and still is a significant amount of mis-selling every year; a figure of some £250 million a year was volunteered, but that is based largely on assumption and extrapolation from previous mis-selling scandals.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): A number of constituents have come to me because they are very concerned about what the hon. Gentleman is talking about, as they are going to have to revalue themselves and go through another examination. Can he shed some light on why that should be?

Mark Garnier: I trust that the hon. Gentleman is referring to the independent financial advisers, who will have to do that. I will come to that a little later in my speech, if I may, but I will address it specifically.

The point I was making is important because it highlights the significant amount of money being drawn out of the net savings pool of the country. It is only right that the FSA and the regulators should address the problem. They looked into it and surmised that in this marketplace competition is hindered by opaqueness and incentive conflicts, resulting in the interests of firms versus those of customers not being fully aligned. The FSA set up the retail distribution review—RDR—in 2006 to address those problems, and the new rules are due to come into force in January 2013. Specifically, according to the FSA, the RDR aimed to bring about three principal changes. The first was an improvement in the clarity with which firms describe their services to consumers. Secondly, it sought to address the potential for advisers' remuneration to distort consumer outcomes. Finally, it aimed for an improvement in advisers' professional standards.

Tony Cunningham (Workington) (Lab): On that final point, I have also had a number of people writing to me. Would the hon. Gentleman agree that one of the overriding concerns—I have had letters from people with 29 or 30 years' experience—is that experience does not seem to count for anything?

Mark Garnier: That is a recurring theme and I shall come on to that point, but the hon. Gentleman is right to raise it. It has been raised by huge numbers of IFAs who have got in touch with me, my hon. Friend the Member for West Worcestershire and with many other Members.

The three aims that the FSA has talked about are, I believe, laudable in principle, overall. It is not our intention tonight to derail the retail distribution review, which will improve standards for consumers. I suspect that not a single professional in the industry would disagree with the overall principles. Indeed, Which?, the consumer champion, strongly supports the measures contained in the RDR, and states that its members

"firmly believe that the IFA industry is best placed to offer this advice".

However, the devil is, as always, in the detail.

In addressing the problems, the FSA has, through the RDR, introduced issues that disproportionately affect the IFA community. The IFA trade organisation, the Association of Independent Financial Advisers—AIFA—suggested in evidence to the Treasury Committee that although some 30% of IFAs strongly supported the RDR and 40% were rather ambivalent towards it, 30% would not put up with the RDR. The 30% who are against the RDR suggest that it would be better to leave the industry altogether, so the community of IFAs would shrink significantly.

Glyn Davies (Montgomeryshire) (Con): Does my hon. Friend agree that that is particularly damaging in rural areas, where all the independent advisers are either one-man businesses or very small businesses, and that a huge proportion of the 30% who do not like the RDR are likely to come from such rural areas?

Mark Garnier: My hon. Friend makes an important point. Small businesses in rural areas are likely to be most affected because they have so few resources in their offices. As a direct result, poorer communities in rural areas will be denied access to independent financial advice. That is not a good thing.

Lord Turner, the chairman of the FSA, suggested that reducing the number of IFAs might well reduce the overall cost of investor advice. How can reducing competition possibly result in improved service to consumers? The key issues facing the worried community of IFAs can be reduced to just a handful of salient

[Mark Garnier]

points. The first concerns qualifications, which are probably the cause of the biggest mailbags on this subject. It has been said, perhaps a little harshly, that IFAs hold a qualification no better than that of a McDonald's burger bar employee—a qualification and credit framework level 3 pass, which is equivalent to an A-level.

The RDR requires all financial advisers to attain the QCF level 4 pass and, in the broadest sense, that is not unreasonable. However, it does not take into account the fact that a great many IFAs have a wealth of experience but, with an average age of 47, little enthusiasm to start taking exams. It is estimated that the exams will require 100 hours of study for each of four modules—that is 400 hours of study. We must bear in mind the fact that that is for a full-time professional who needs to earn a living and who may, as my hon. Friend the Member for Montgomeryshire (Glyn Davies) mentioned, be working by himself in a rural community with little support.

Mr John Baron (Basildon and Billericay) (Con): Can my hon. Friend come up with any explanation of why grandfathering rights could not be applied to those with long experience as IFAs, given that such experience is much needed in the marketplace by savers who are desperate to make good financial decisions?

Mark Garnier: I can see no reason at all for not introducing grandfathering rights. Indeed, when the FSA was set up it introduced grandfathering rights when IFAs came over from the personal finance authority.

Mr Graham Stuart (Beverley and Holderness) (Con): I congratulate my hon. Friend on opening this important debate this evening. Jon Marris, a constituent of mine and an IFA, came to see me on Friday. He has already passed the exams that will be required—he has done the 400 hours of study—but, even from his position, he believes it is ridiculous that those who have been in the industry for many years should be forced to go through that. Although he has been able to do this, he thinks that the removal from the market of people who are perfectly capable of doing their job but who might not be able to get through the exams, even though they have shown for many years that they can look after customers, is completely wrong.

Mark Garnier: I think my hon. Friend's constituent agrees with us all.

The IFA community is broadly in support of raising excellence in the profession, and many are opting to take qualification exams on their own initiative without the dead hand of the FSA pressing them to do so. Indeed, the website unbiased.co.uk lists IFAs by their qualifications, so the move towards improved excellence is already going ahead under its own steam. A significant number—possibly as many as a third—feel that their 20, 30 or 40 years of experience not only trumps any exams but covers a significant depth of knowledge in their chosen areas, which will surpass any exam requirements. In taking exams, they will also be tested on areas they choose not to specialise in. As I and many hon. Members have said, the FSA seems blind to their expertise. The FSA does not recognise that experience and is determined to put out of business any IFA who is reluctant to take their exams or to subject themselves to the FSA's ill-thought-through in-house assessment.

Mark Pawsey (Rugby) (Con): Does my hon. Friend agree that if experienced independent financial advisers are driven from the market, those who will lose out most will be those with the smallest amount of assets, who will not get the advice that they receive at present?

Mark Garnier: Absolutely. The other group of people who will lose out because of the removal of these grey-haired sage IFAs will be the younger ones. Who will mentor the young, aspiring and highly qualified but short on experience new trainee? The FSA has no answer.

Let me turn now to fees and commissions. The FSA is further proposing that from January 2013 consumers will no longer be able to choose how their adviser is remunerated.

Tracey Crouch (Chatham and Aylesford) (Con): Does my hon. Friend know of any survey that has been conducted of whether consumers have any appetite to pay fees for their financial advice?

Mark Garnier: My hon. Friend will not be at all surprised to hear that there are a number of surveys. Which? Undertook a survey that showed that 85% of people would prefer to pay fees, yet a survey by Harris Interactive showed that only 6% of the public said they would be happy to pay fees as opposed to commissions. That is a big problem, I think.

In future, customers will need to agree a fee with their adviser. That means that no longer will a client pay for advice via a commission charged on a transaction.

Justin Tomlinson (North Swindon) (Con): I congratulate my hon. Friend on securing this excellent debate. Does he agree that if it is believed that commission makes advisers more inclined to promote products with higher commission, the same would surely apply to banks that offer their staff product sales incentives? Should changes not be consistent across the sector?

Mark Garnier: Yes, they should, and it is fair to say that the FSA is looking at the whole sector.

At the moment, every client is given the option of paying for their advice via a fee or commission. Since 1991, every client of every IFA has been given full details in writing of the adviser's commission, and the overwhelming majority of clients elect to pay by commission. During that period, the market share of the IFA sector has increased from 29% to more than 65%—based on commission charging—with consumers demonstrating a clear understanding of and preference for independent financial advice. It should be noted that independent advice is not the preserve of the wealthy. Some 60% of IFA clients are ranked as C1 or below. If consumers are forced to pay a fee for advice, it is inevitable that many who would benefit from independent advice will not seek it, resulting in only the well-off accessing a significantly reduced IFA sector. The subject of commissions is extensive and I am sure that many hon. Members will want to expand on it in their speeches.

John Woodcock (Barrow and Furness) (Lab/Co-op): Does the hon. Gentleman not agree that this issue is not clear cut? Surely it is right that there is some concern about the idea of a commission. Is it not the case that the concern over not wanting to pay fees is about paying a fee up front? Could the fees not be back-ended in the way that commission effectively is, making it a flat rate?

Mark Garnier: The issue of commissions is complex and is surrounded by several other issues, one of the simplest of which is that the Office of Fair Trading has deemed it right that the providers of the products should be able to charge or incentivise IFAs and salespeople in a variety of ways. The difficulty with allowing different levels of remuneration to IFAs is that it creates some of the problems we have talked about, but the OFT will not allow a flat rate of commission, which is one solution that could have dealt with this issue.

The risk in being an IFA is a major issue. All professions carry an element of professional risk, which is covered by professional indemnity insurance. In pricing that risk, underwriters take into account the fact that there is a so-called long-stop of liability, which is usually about 15 years, but that is not the case for IFAs. It has been deemed fair for IFAs to have an unlimited period of liability, such that an 80-year-old retired sole trading IFA might be liable for a product sold half a century earlier. It might be that the claimant has a legitimate claim, but in our compensation culture it might be that he does not feel satisfied with what he has got and is just having a go.

In practical terms, for a limited liability company, as the business gets older it becomes less saleable as it accrues a large pool of risk on the products it has sold since it opened its door to trading. Is it fair that an IFA could be chased to the grave in a manner that no other profession allows? Will that indefinite level of risk be an incentive to newcomers coming into the profession? I think that the answer to both those questions is no.

The cost of implementing the RDR is high. Currently, a firm of IFAs with up to 25 advisers is required to put aside only £10,000 by way of regulatory capital. That minimum will double under the RDR, but there is a new element to come in. Under the new rules, firms may be required to put aside 90 days' worth of operating costs. For the better-run firms with sophisticated systems and offices that could be a significant increase. It is not inconceivable that a firm employing 10 qualified IFAs supported by high-quality support staff could see its regulatory capital rise from £10,000 to £200,000, £300,000, £400,000 or even £500,000. That rule alone is an incentive for firms to go from providing a high-level service to a cut-price one.

But what does all this mean for the cost of the RDR to the consumer? The original estimates for the cost-benefit analysis of the RDR gave a net present value of £600 million for the first five years including one-off costs. That has now risen to a truly staggering £1.7 billion in order to address an unsubstantiated cost of mis-selling £250 million. Moreover, it is by no means the responsibility of the IFA community alone. In 2009, according to the financial ombudsman, just 2% of complaints in this area related to the activity of IFAs, while 61% related to banks, but 65% of the market share is held by IFAs.

Dan Rogerson (North Cornwall) (LD): I congratulate the hon. Gentleman and the hon. Member for West Worcestershire (Harriett Baldwin) on securing this debate. Does the hon. Gentleman agree that in putting together the RDR, the FSA has throughout consistently ignored all the comment from the industry, this place and elsewhere and that the time has come for it to listen and to review the whole set-up?

Mark Garnier: The hon. Gentleman is absolutely right. The overriding message coming back from the IFA community is of being ignored by the regulator. It has been suggested that Adair Turner, as someone who comes from McKinsey, looks at the issue from a box-ticking perspective as opposed to considering the fundamental needs of the consumer, which is the important issue.

IFAs are going to bear the brunt of the changes, and especially those with small operations in rural communities.

Mr Adrian Sanders (Torbay) (LD): Is not the problem with the whole process the fact that it is angled disproportionately at hurting small traders, often in the poorer areas of the country? That needs to be reversed if the changes are to receive any credibility in or support from this place.

Mark Garnier: That is absolutely right.

Mr Andrew Tyrie (Chichester) (Con): I apologise for breaking up my hon. Friend's excellent speech. Does he agree that a crucial point that we must get across to the FSA tonight is that the increase in these compliance burdens will be paid for by the consumer who will therefore lose out? The loss of perspective from the FSA and the inflexibility of its approach in implementing the changes are reflected in the large number of people here today.

Mark Garnier: Absolutely, and I am very grateful to my hon. Friend the Chairman of the Treasury Committee for bringing that up.

The £1.7 billion costs being pushed on to the consumer mean that £1.7 billion will be taken out of the savings pool. We simply cannot take that approach if we are trying to encourage people to save and to pay off their debts. That is why the changes are so fundamentally wrong. IFAs will have to bear the brunt of them, especially those with small operations where the requirement to sit exams, recapitalise and install new compliance systems, as well as all the other requirements of RDR, will often be handled by the same individual who is offering advice to the customer. Hector Sants estimated that implementation might mean a loss to the IFA community of 20% of the professionals who work in this arena today. Adair Turner has said that this is an acceptable cost, but I do not agree. It is unacceptable that up to 3,000 professionals according to the FSA's figures, and more according to other research, will lose their livelihoods. Among those who stay, the cost will be passed on to the consumer, as my hon. Friend the Member for Chichester (Mr Tyrie) has said.

There are many questions to ask. Will the RDR deal with the cowboys? Will a reduction in the number of IFAs encourage a savings culture or detract from it? Is it right that when we are encouraging entrepreneurs to set up new businesses, the outgoing regulator should be bringing about such devastating change to this industry? My constituent Mike Jeacock is typical of the type of IFA who is threatened by the RDR. He runs a high

[Mark Garnier]

street shop in Stourport-on-Severn and he networks for new business among his mates in the Stourport Workmen's Club. These are not high-rolling wealth managers prowling family offices in Mayfair. We are talking about people who earn a living honestly servicing the financial interests of people who can afford little but who need financial advice.

The retail distribution review is a significant market intervention, and market interventions, particularly of such a fundamental and far-reaching nature, require overwhelming evidence of consumer detriment and the appropriateness of the solution. In addition, any solution needs to meet cost-benefit requirements. Does the RDR satisfy these tests? It appears to be based on a combination of unfounded assertions, limited and contradictory research and, as regards some of its solutions, little more than a hunch that the outcome will somehow be better than the present system.

It is estimated that up to 10,000 experienced IFAs of good standing will be forced to retire for no valid reason.

Teresa Pearce (Erith and Thamesmead) (Lab): The FSA says that only less competent advisers will not be able to comply with the new qualifications and that the changes will therefore act as a sort of natural selection for the industry. Does the hon. Gentleman agree that the opposite might be true because it will be the more successful and long-experienced advisers with well-developed client lists who will not be able to comply or who will choose not to, and that we will therefore lose their experience from the industry?

Mark Garnier: Yes, I agree entirely. It is absolutely the case that the harder-working and more successful IFAs simply will not have time to take the exams and start dealing with the dead hand of regulation from the FSA.

With up 10,000 experienced IFAs of good standing potentially being forced to retire for no valid reason, it is estimated that as many as 3 million existing clients, many of whom will be elderly, will lose access to their trusted adviser as of 1 January 2013. I fear that without the FSA looking again at grandfathering the experienced through the process of implementation and without a rethink about commissions, independent financial advice will become the preserve of the wealthy only.

Alun Cairns (Vale of Glamorgan) (Con): Will my hon. Friend give way?

Mark Garnier: I have just about finished actually.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): I remind hon. Members that there is a six-minute time limit on contributions in the debate from now on so that we can try to ensure that everybody gets in.

8.9 pm

Mr George Mudie (Leeds East) (Lab): I congratulate the hon. Member for Wyre Forest (Mark Garnier) on securing the debate and on putting the case so comprehensively, in such detail and so fairly. This matter is a great problem, but it had gone under my radar as a Member of Parliament until a constituent of mine who is an independent financial advisor came to my surgery and explained what is happening. He falls into the category of being someone in his 50s who for the first time in 30 years is required to study for an examination to keep his job, regardless of how long he has been in the industry with a complaint-free record. I find that amazing.

As a member of the Treasury Committee, I have tried to aid the hon. Member for Wyre Forest—although he does not need aid—or at least stand alongside him to press for an investigation. I find it worrying that decisions can be taken by a regulator without recourse to the House, and almost without recourse to anyone. Last week, as the hon. Gentleman mentioned, both the FSA and the Governor of the Bank of England came before the Committee, which was an opportunity—although we had a full agenda—to press the matter and question them.

The background against which the decision has to be judged is interesting. The FSA, rightly, admitted to many mistakes in the operation of its light-touch regulations. It was probably more open than the Bank of England, but that is another story. After Northern Rock, the FSA was very straightforward in meeting after meeting; it came clean and accepted criticism about light-touch regulation. However, Hector Sants decided in a policy speech to project a new image—from where, I do not know. He stated that in future financial firms would fear the FSA, but there is a pendulum effect. If something is released it tends to go too far in the other direction, and I rather fear that the FSA, in attempting to salvage its reputation—if it had one—has moved too far to demonstrate that it is not a soft touch as well as a light touch.

Members may think that I exaggerate. The FSA is undertaking two reviews; retail distribution is one and the hon. Member for Wyre Forest mentioned the other—the mortgage market review. If Members have not received many letters and e-mails about the RDR, there will certainly be anguished people contacting them when the full power of the MMR comes into effect and young first-time buyers who are self-employed find it difficult to get a mortgage.

Nicholas Soames (Mid Sussex) (Con): It is not just that the FSA has not listened to the industry or its professionals, which will undoubtedly damage the profession. Does the hon. Gentleman agree that the really foolish thing, which is just as serious, is that it will profoundly damage the interests of the consumer? Yet the FSA seeks to protect the consumer.

Mr Mudie: I completely agree.

I forgot to congratulate the hon. Member for Wyre Forest on securing the debate and on introducing it. I also congratulate all Members in the Chamber. It appears that the only thing we can do is to come to the Chamber and voice our anger and concern. When the Committee discussed with the Bank of England the new powers of the new regulator, it was the British Bankers Association, of all people, who raised the democratic deficit. The point was made that we were handing so much power to the regulators and the banks that there was great danger

that they would be pronouncing and taking action on matters that affect us as representatives of our constituents—matters relating to employment and standards of living. In our humility and generosity, we are passing great power to the regulators on matters for which we will be accountable—perhaps not in law, but in the view of the public. We will be accountable for the actions of the regulators, so a rethink is very necessary.

Alun Cairns: I thank the hon. Gentleman for giving way. I, too, pay tribute to my hon. Friends the Members for Wyre Forest (Mark Garnier) and for West Worcestershire (Harriett Baldwin) on initiating the debate. I congratulate them on that.

Does the hon. Member for Leeds East (Mr Mudie) accept that the FSA could be acting in the context of, on the one hand, lack of regulation in the banking industry in the past, leading to a complete knee-jerk reaction and, on the other, disproportionate regulation at the consumer end of the market, such as the debate is highlighting?

Mr Mudie: I do not completely agree. I think the banks could be the beneficiaries if 30,000 independent financial advisers are taken out of the market. The hon. Member for Wyre Forest referred to Lord Turner, whose attitude was that the number would not be 30,000, but between 10,000 and 20,000, which was acceptable, otherwise the FSA would not be doing it. There was no explanation why the number was acceptable, or of the unintended consequences of the decision. The authority had just decided that it would be acceptable.

Ordinary people who have worked in the industry for decades will be hurt by the decision. It is not a knee-jerk response to oppose the direction of a decision and the manner in which it is being imposed on individuals who have worked in the industry without blemish. It would not happen in other industries and other practices. In addition, there seems to be a lack of interest in the diminution of choice for the ordinary consumer of all ages if the decision is forced through.

The Treasury Committee has asked for responses. I plead with every Member, whether or not they are in the Chamber, to do some writing and complain. They should ask the very able Chairman of the Committee, who is standing by the Speaker's Chair, to call a review meeting so that we can call individuals on this subject. We do not want to tie it up in a long agenda where it receives only 10 minutes' scrutiny; we want a full meeting where witnesses are placed under real scrutiny and asked both to account for the decision and to reconsider it.

8.18 pm

Harriett Baldwin (West Worcestershire) (Con): All I can say is "Wow!" when I see how many colleagues and Opposition Members have shown up this evening to take part in this historic debate. I believe this is the first time in this Chamber that the Financial Services Authority, which was set up by the former Prime Minister as the independent statutory regulator, has been subject to such parliamentary scrutiny. In fact, I believe that we are today showing that we can, and do, take a real interest in what the independent statutory regulator is doing.

The Chairman of the Treasury Committee pointed out how many Members are in the Chamber this evening for a Back-Bench business debate, when we are not obliged to be here by anyone other than the constituents who have contacted us with their concerns.

Alun Cairns: I support what my hon. Friend said about the number of Members present this evening, which is unusual, as she pointed out. The indication so far is that this is a cross-party issue and that party politics is not playing a part in it. The comments from the Opposition Benches support the comments made in the debate.

Harriett Baldwin: I entirely agree. We have learned in the past few years how important good financial regulation is.

Imagine the outrage there would be in the Chamber if a Minister said from the Dispatch Box, "I am going to put between 20 and 30% of an industry out of business at the stroke of my pen on 1 January 2013"? It is unbelievable that we have allowed an organisation to grow and, unscrutinised by this legislative body, have such a power over our constituents' lives.

Mr Andrew Turner (Isle of Wight) (Con): Does not my constituent, Mike Ward of Ward Financial Services, have a point when he says: "People need to understand that business has changed in recent years. People won't trust banks as much as they did in the past, so they must be careful not to undermine the relationship between themselves and their clients. That would not be the right way forward"?

Harriett Baldwin: I thank my hon. Friend for that intervention. It is the banks that are likely to be advantaged by the change in regulations. I am afraid I have only six minutes in which to raise the many questions that I have about the regulation. I shall focus on a couple of areas that my hon. Friend the Member for Wyre Forest (Mark Garnier) did not touch on much in his remarks, which were extremely comprehensive.

I want to hear more about the handing of a competitive advantage to the banks. It is my understanding from my discussion with the Financial Services Authority that banks that are trading overseas could come into this country and continue to offer advice. The European Union is about to consult on something called the directive for packaged retail investment products. It would be wise for the FSA to wait and see the results of the consultation before it takes permanent steps here to put out of business 20% of independent financial advisers.

I have also heard through the Westminster Hall debate that my hon. Friend the Minister has talked about the free annual financial health check that the Consumer Financial Education Body will be able to offer. I want to hear more tonight from the Minister about how that will be delivered and what the additional cost to the industry through the social responsibility levy will be. Has that additional cost to the industry been factored into the £1.7 billion that is the five-year cost of the retail distribution review?

For the remaining four minutes at my disposal, I shall focus on my main area of concern, which has been raised by colleagues—the question of the qualifications. Imagine if nurses who were qualified were suddenly

[Harriett Baldwin]

told that from now on, nursing was to be a degree-level qualification, and that all existing nurses would have to pass that degree-level qualification or they would not be able to practise their profession. That is what is happening to our independent financial advisers.

If I thought that passing an exam would prevent mis-selling and we would never have another incidence of mis-selling in future, I would be more supportive of the idea, but I do not see that an ability to pass an exam, which someone in their 20s might be much better at—certainly, I was—than by the time they get into their 50s and 60s, when they have all that experience about financial advice, precludes mis-selling in the future.

I can offer a few examples. We have been inundated with correspondence on the issue, but a couple of important examples stand out. One adviser wrote to me who is already qualified to chartered financial planner status. He is an associate of the Chartered Insurance Institute, which maps across to a degree-level qualification, but with the FSA's new standards, it appears that there will be gaps. If advisers with such a qualification do not fill those gaps in the two years available, they will no longer have a livelihood in the industry. That is blatantly retrospective regulation.

Another important example that was brought to my attention was a letter from the chief executive of a friendly society based in Cleveland on Teesside. The case may be raised in the debate; I hope so. The chief executive wrote to me explaining that his door-to-door sales force who sell funeral policies for £1 a week and life policies for up to £5 a week will now be required to take the degree-level qualification. As such, he felt that his friendly society with its 10,000 low-income customers would have to shut it doors. May I urge the Minister to try to influence the independent statutory regulator to be more respectful of experience as a qualification?

Mr Russell Brown (Dumfries and Galloway) (Lab): Does the hon. Lady agree with this statement: it is one thing to impose new rules on new entrants to the IFA profession; it is quite another thing to disqualify someone who is already qualified?

Harriett Baldwin: Indeed. I understand that there is to be an alternative-based assessment. The Minister mentioned it in the Westminster Hall debate, but I want to try to make sure that he works closely with the FSA to publicise that route more extensively, and that he works with the FSA perhaps to soften the cliff-edge of disqualification on 1 January 2013. We all want to see better qualified financial advisers, no question about it, but to close the door on financial advisers practising their profession on 1 January 2013 is not on.

In conclusion, financial advisers face a triple whammy. We have heard about some of the other issues, but the one that we would all see as being the most illogical is the one about qualifications. As the Government go through the process of changing the way the FSA operates, I urge my hon. Friend the Minister to change the way the FSA regulates the sector.

8.26 pm

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): The debate might be in danger of becoming a love-in. *[Interruption.]* Thank you very much. The hon. Member for Devizes (Claire Perry) was making an open-arms gesture, but I do not know whether I want to go down that route. If détente breaks out, I for one will be delighted. I have been contacted by a number of individuals and groups who have significant concerns about the impact of the retail distribution review.

The review purports to set new parameters for this important sector of our economy, and regulation is at its heart. The chief executive of the Financial Services Authority characterised the review under three main headings, which the hon. Member for Wyre Forest (Mark Garnier) set out—the need for a transparent and fair charging system, greater clarity on the type of advice offered, and a better qualification framework for advisers. I have no quarrel with the first two points. We may differ a little about the content.

It is right that IFAs must disclose their charging structures to clients up front and in writing, so that the client has the information in good time, before the advice process starts. It is right that the IFA must also agree and disclose the total charges that the client will incur as soon as those are known. It is right that, from 1 January 2013, IFAs will be able to make an ongoing charge only where they provide an ongoing service. It is also right that from 1 January 2013, product providers will no longer be able to offer commission on their products, and advisers will no longer be able to receive commission set by product providers. That is just hiding the charges within the commission. The major concern on which I think all participants in the debate agree, however, is the concern of constituents who have contacted me regarding the so-called better qualifications for those who work in the market.

One should not automatically be afraid of higher qualifications for individuals who work in this important sector, but the quality of the debate has not been helped by the tactless, ill-informed and unwise comments of the Financial Secretary to the Treasury, who caused great anger among IFAs during a debate in Westminster Hall, when he compared the current level 3 minimum qualification for advisers to that of a McDonald's shift worker.

Claire Perry (Devizes) (Con): Does the hon. Gentleman agree that, by focusing so narrowly on qualifications, we miss one of the most important things in any investment industry—experience and a track record? By narrowly defining what we think of as the appropriate qualifications, we completely ignore the experience that many IFAs bring to their positions. They will be forced out by such regulation.

Mr McCann: I agree entirely, and I shall address that point a little later. It is why my constituents and I were so angered by the comparison of the current level 3 minimum qualification to that of a McDonald's shift worker. It is, indeed, an insult to the many of thousands of people who work for that company—a company whose products, looking around the Chamber this evening, I am sure a few people have sampled.

Dr Andrew Murrison (South West Wiltshire) (Con): The hon. Gentleman is concerned about the QCF—qualifications and credit framework—level 4 qualification, but is he not concerned also about the impact of the

measure on the need for continuing professional development outlined in the RDR, and the fact that it is likely to disadvantage small operators who will not be able to rely on the critical mass of a large organisation when taking time off—probably about a week every year—to conduct CPD?

Mr McCann: I agree entirely. The measure will impact on small businesses, not the big part of the sector, and that is why the Financial Secretary should have been mindful of the commitments people have to make to gain qualifications in the sector. One IFA, in particular, heard the Minister's comments and blogged:

"I've just spent 70 hours revision to pass RO1. Nobody has paid me for my lost time. Nobody has asked me 1 of the 100 questions in the exam for the last 22 years. This guy"—

the Financial Secretary—

"needs to get in the real world."

That leads me to my main contention: the proposals and timetable to increase the qualifications needed to participate in this sector of the economy are not sensible. Exams and qualifications in the sector are not new, but the proposal to introduce new rules that effectively force people to re-sit exams without taking account of their experience or, most importantly, clean regulatory record is patently unfair. Moreover, the sector will not be able to absorb the cost of revalidation; instead, as other contributors have said, it will be passed on to the customer in the shape of higher fees.

Others have also mentioned that many professional groups in the United Kingdom are not asked to revalidate, so I seriously wonder why we are trying to isolate this particular sector. Why, as other hon. Members have asked, do we want to take away that valuable experience from that important part of the economy?

Our time is limited, and there is a limit of six minutes on each contribution, but I too want to mention one individual who has contacted me in the lead-up to the debate. He is an old friend of mine, a next-door neighbour, and it is important that we bring our experiences to the House when we discuss such issues. Jim Hunter sells financial products, and he contacted me, but he did not complain about the need for transparency, fairness or greater clarity. In fact, having done business with Jim, I know that he had all those ingredients many years ago. Indeed, I am sure that many people who have contacted hon. Members are in exactly the same boat.

Jim was talking to a colleague recently at a meeting. The gentleman is 60 years old, with more than 30 years' experience in the industry, and if he sat the proposed exams he would be 63 before he finished them. Jim explained that that person would be lost to the industry and have to retire before his time, because he would not study at that time of his life. There are many people like that, trying to make a living for themselves in difficult times, and that ability to earn a living in this important part of our economy will effectively be taken away from them without any real benefit to the economy itself.

Tracey Crouch: Does the hon. Gentleman agree that, although the RDR was introduced with every good intention, further work should be suspended until there has been a full cost-benefit analysis of its impact on the IFA community and, indeed, on consumers?

Mr McCann: I do not think that that point is unreasonable at all, and it could be taken on board.

One point has not been mentioned in the debate, but it is an important one to make in the last minute of my speech. The final thing that my constituent said to me is that many IFAs work on trust. That trust takes a long time to build up with individuals. If you take that experience out of the sector, the trust will go. People will be uncomfortable about going to new IFAs because they will have to rebuild the trust all over again. We should be mindful of that.

The RDR is an important piece of work and it is important that we get it right. For that reason, I urge the Minister and members of the Select Committee to take the comments away, recognise the need for common sense to prevail and work with the industry to come to a common-sense solution.

8.35 pm

Heather Wheeler (South Derbyshire) (Con): I declare my interest: I am an associate of the Chartered Insurance Institute, having studied for and passed my professional exams in 1985. Although I have not practised as an insurance broker since 1987, I wanted to speak tonight because I recall the debate when I was studying about how the importance of exams was a strong factor in professionalising the insurance sector. At the time, I felt that that was an over-egging of the situation, and here we are 25 years later and the Financial Services Authority is using a sledgehammer to crack a nut.

I am totally opposed to the new rules that the FSA is imposing on independent financial advisers. If I felt that it was imposing them because there had been bucket loads of horrendous examples of mis-selling, or because clients had been ripped off, or because there were statistics to show that IFAs had been responsible for the majority of the complaints in the industry, perhaps I could understand. But none of that is true. As we have heard, IFAs are responsible for only 2% of complaints from customers; the banks bear the brunt, at 61%.

Mr Robin Walker (Worcester) (Con): I and congratulate my fellow Worcestershire Members on having this debate. Does my hon. Friend realise that the figures of 2% and 61% that she has just cited are further strengthened by the fact that the proportion of complaints against IFAs has gone down every year for the past five years and the proportion of complaints against the banks has risen every year over the same period?

Heather Wheeler: My hon. Friend is correct. Is that not interesting? Many of us have been trying to get to the background of why this retail distribution review was brought in and where the FSA was coming from. The statistics really speak for themselves, and I am astonished that we find ourselves in this position.

Alun Cairns: Even if the statistics were much worse than they are, does my hon. Friend believe that the proposals in the RDR would lead to improved and safer advice for clients? I certainly do not believe that they would, even if the statistics were worse.

Heather Wheeler: Absolutely. I thank my hon. Friend for bringing up that point. It is clear that the baby is being thrown out with the bathwater. Nobody at the FSA seems to want to explain why. IFAs that have offered solid advice for years, with unblemished records, should be granted grandfather rights. Like many other Members, I have been trying to find other areas of business where new rules are to be introduced without any grandfather rights. I cannot. Even licensed properties—pubs, to you and me—kept their grandfather rights when the new licensing laws came in a little while ago.

It has been estimated that the effect of the rules being introduced in 2013 will be that we will lose 30% of practising IFAs. Where will the business go? Yes, you guessed it: to the banks—to the people who have the record of providing 61% of the complaints from customers. What is the FSA saying about that? Absolutely nothing. We have to ask ourselves why the FSA is doing this. I cannot find a credible reason. As we have heard, on its own cost-benefit analysis, the cost of introducing these new rules has risen from £660 million to £1.4 billion to £1.7 billion.

I urge the Minister to reopen talks with the FSA, not to allow it to put 30% of IFAs out on the scrap heap and not to reduce individuals' choice of where to go for financial advice. Finally, he should use all his charms—he knows that I know he has charm—on the FSA, because the Government are new and "choice" and "fairness" are the catchwords that represent us, not "draconian, bureaucratic, Stalinist centrists".

8.39 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I congratulate the hon. Member for Wyre Forest (Mark Garnier) on securing this important debate. I am pleased that the hon. Member for West Worcestershire (Harriett Baldwin) referred to the Kensington Friendly Collecting Society, which is a very good organisation in my area.

As a Co-operative Member, I represent the interests of some people on low incomes who have been denied access to financial advice and products provided by friendly societies and mutuals as a result of the qualification requirements contained in the retail distribution review. The Kensington is a friendly society that has existed in Middlesbrough for 106 years. Mark Brooks, who is the chairman of its committee of management and a constituent of mine, and James Lancaster and Phil Carey wrote to me from the Kensington to raise their situation. The Kensington has 10,000 members throughout the Teesside postcode area. It provides savings and insurance products to those members for as little as £1 per week and a maximum of £5.70 per week. It provides opportunities for its members to obtain basic financial products. Without this provision, members of the society would largely be excluded from financial services and have to go to more expensive services, namely the banks, or to loan sharks.

The RDR is currently being finalised by the FSA. Its most likely outcome will be that the society will close down, which will mean that 10,000 members will lose their ability to save small sums of money for their funeral or for a rainy day. The reason is that the FSA is proposing a blanket qualification for any person offering financial advice—a qualification that is considerably higher than the current requirement. The FSA will not permit exemptions to this qualification structure, and it will not permit a gradual increase in qualifications vis-à-vis the risk and complexity of the product being advised on. The advisers at the Kensington and other societies will be required to obtain degree-level qualifications to sell a simple endowment or whole-of-life policy for a maximum premium of £5.70 per week. This is the only type of product that they sell, and the level of qualification required is disproportionate to the advice that they give.

The syllabuses of the proposed qualifications are irrelevant to the needs of those on low incomes. The exams focus on trusts, inheritance tax, capital gains tax and portfolio management. Those on low incomes may aspire to require this level of financial planning, but in the here and now they need advice on issues such as debt and benefits. The qualification requirements will mean that members of this society and others will be denied access to financial advice after 2012. The society will be unable to recruit new members because its advisers will be unable to offer advice to prospective members. A lack of new members will mean that this society and others will close. As a result, their members will lose access to financial products that they can afford and, in all likelihood, will be excluded from financial services thereafter.

That outcome seems to contradict the aims of the FSA and the Government in tackling financial exclusion. The RDR, while seeking to protect the interests of high net worth consumers, is by default taking away one of the few opportunities that those on low and insecure incomes have to obtain financial products. If the Government and the FSA are keen on promoting financial inclusion and financial literacy, then the existence of friendly societies like the Kensington is essential in delivering such benefits to those on low incomes. The concept of mutuality appears central to the idea of the big society, yet the consequences of the RDR would be to remove the remaining friendly societies that promote this notion.

Jim Shannon (Strangford) (DUP): Does the hon. Gentleman agree that the reduction in IFA numbers would also have an impact on the volume of new insurance policies and the work that would come from that?

Tom Blenkinsop: Yes, I certainly agree. We would lose skills and experience, as well as putting people out of jobs for no good reason whatsoever.

The qualification requirements would deliver no discernable benefit to the vast majority of consumers beyond the wealthiest few. Let me assure hon. Members that by arguing against the proposed qualifications, I am not saying that such members deserve less than the better-off, but merely stating that they require different things.

The Kensington has increased its premium income by over 40% in the past seven years despite the fact that tax-exempt premium limits have not been increased during this period. That indicates that there is a demand for the service and the products. The Kensington delivers products that fulfil real needs for those on low incomes. For example, in the Teesside area, owing to bad debt difficulties, undertakers will not proceed with a funeral unless the deceased's relatives can provide a deposit of £750. The Kensington, among others, can fulfil that

need because its minimum premium is £1 per week, which is enough to generate £1,000 of death cover. It has a local presence, which means that the agent can deliver a death claim cheque to the family directly within two working days of the member dying, and the whole process is conducted by someone whom the family knows.

The majority of members of the Kensington and other friendly societies in Teesside live in the poorest and most socially deprived council wards in the UK. Our people require honest and appropriately qualified agents who understand the benefits system, can provide advice on debt issues, and can generally assist in all forms of financial planning for those with limited disposable incomes. It is difficult to imagine that any such member would ever require advice on IHT planning, trusts, corporate financial planning, portfolio management or CGT.

The QCF level 4 is a disproportionate qualification for the home service market operating within tax exempt limits. It will not add value to consumers, nor improve the service that they receive. It will make home service sales forces even more expensive to run and will generate further financial exclusion. A more considered qualification that focused on the real, everyday financial issues that affect those on low incomes would be welcome. Current academic thinking reinforces my view, which I assume is shared by other hon. Members, that the only effective method of accessing and engaging those on low incomes in savings and protection products is a direct sales force. Indeed, the Department for Work and Pensions website states that tenant engagement teams are being piloted to increase take-up of home contents insurance,

"particularly as all other traditional methods of promotion (leaflets, flyers, competitions, prizes etc) have not resulted in large scale increases in the number of policy holders."

In conclusion, the RDR qualification requirements for advisers selling tax-exempt, small premium assurance products are disproportionate and irrelevant to the needs of those on low incomes. The RDR will reduce the access of those on low incomes to basic assurance products at a time when significant amounts of energy and money are being invested in promoting financial inclusion in that area.

8.46 pm

Guto Bebb (Aberconwy) (Con): I congratulate my hon. Friends the Members for West Worcestershire (Harriett Baldwin) and for Wyre Forest (Mark Garnier) on instigating this debate. I was unable to attend the Westminster Hall debate on 20 October, but the transcript indicates the quality of debate that we have in this House on occasion.

Many issues have been discussed at length, so I will attempt not to repeat what has been stated by other hon. Members. However, I will highlight some areas of concern. I concur with hon. Members who believe that the FSA is taking a sledgehammer to deal with problems that are not great enough to warrant it. The FSA's proposals will damage choice and result in small businesses being forced out of trading. It will affect the choice available to people who live in rural communities in particular. As has been stated, the proposals discriminate against older members of the financial advice community. There will be an effect on the availability of advice and support for those who are less wealthy in our society. All those problems must be addressed.

On damage to choice, Ernst and Young estimates that as a direct result of the proposals, there might be a reduction of about 50% in the number of financial advisers who are willing to carry on trading and that there might be as few as 10,000 fully accredited financial advisers with about another 10,000 providing restricted services. Such a reduction is unacceptable. Even the FSA states that there might be a loss of as much as 25% in smaller firms who are willing to provide this service. It is difficult not to conclude from those figures that the proposals will affect choice. I find it hard to accept the FSA's argument that it is bringing forward the proposals to serve consumers and give them more protection and choice.

Andrew Bingham (High Peak) (Con): Does my hon. Friend agree that as well as removing choice, the proposals might lead to people not bothering to save—at a time when people need to save—because they cannot get advice on how to do so or on where to put their money?

Guto Bebb: I accept that point. In particular, I believe that those who are less wealthy in our society will be discriminated against, even though there should be greater encouragement for them to save than other people. That issue relates directly to the damage to choice.

Although I share the Treasury's view that there is a need to ensure that advice is of a high quality and accept that there has been mis-selling and bad advice—I do not argue against the need for a degree of regulation—it is difficult to accept proposals that even the FSA accepts will result in a reduction in the services that are available to the public. In particular, I remain unconvinced of the merits of the examination process being the be-all and end-all. Are structured learning and examinations really a substitute for experience, integrity and honesty? If I were looking for a financial adviser, those qualities, rather than an exam, would be the first on my list.

Claire Perry: Does my hon. Friend agree that one way of taking the matter forward is to allow consumers to decide? We all believe in consumer choice. If the proposed laws were passed and financial advisers had to have letters after their names, we could have a grandfathering clause so that the consumer had a choice. They could go with experience or with somebody who had sat the exams under the new regulations.

Guto Bebb: There is a lot of merit in that argument, and I would be encouraged if the FSA were to consider such an approach.

As a Member who represents a rural community, I am well aware that the change will have a much greater impact on smaller financial advisers. After all, the cost of regulation is estimated at about £6,000 per adviser. That could be taken as being reasonable in the context of a large, city-based financial advice firm, but for small firms in my constituency such a regulatory burden could be the difference between remaining in business and leaving business.

At a time when the coalition Government are stating clearly that they want the private sector to create jobs, and that they want to get rid of the red tape and bureaucracy that have stifled a generation of jobs in small businesses, I find it odd that the financial advice

[Guto Bebb]

sector is being earmarked for different treatment. The financial advisers to whom I have been talking support the coalition fully in trying to reduce the red tape and bureaucracy that small businesses face, but they would like to be included in the discussion.

On rural services, we in Aberconwy have suffered in many ways, such as the closure of small post offices. We have also seen the legal aid franchise service stopped for the time being, creating a real threat of no legal aid services being available in any of the small towns in my constituency. I therefore believe that we should be very concerned about the further attack on small businesses in rural communities that we are discussing this evening.

In many small market towns, financial advice is part and parcel of what people have come to expect. When they go into town on market day, they can do their banking and go to the post office, the local shop and the solicitor, but they can also go to the financial adviser. It is not acceptable that people who live in a rural community will have to drive to the nearest large town, or even perhaps use the banks instead. Banks in rural communities, and certainly in my constituency, are now nothing more than counter services. It is a real problem that services in rural areas are under threat.

My hon. Friend the Member for Ipswich (Ben Gummer) made the point about rural services very strongly in the Westminster Hall debate, and I agree with him, but I would go further. In Aberconwy, many professional firms work through the medium of Welsh. If rural financial advice services are taken away from parts of my constituency, people will lose the ability to go to a local financial adviser and deal with their problems in the language of their choice. People in my community switch between Welsh and English in the same way that people go into a café and choose coffee or tea—it is quite natural for people to use their own language when dealing with their own affairs. I wonder whether larger concerns in more anglicised towns on the coast, or further away in Cheshire, will take into account the need to provide a Welsh-speaking service.

On discrimination against older financial advisers, I question why no grandfather rule is proposed. Why are we not willing to consider experience as being of importance? I shudder at the thought of leaving people in my constituency dependent on the banks rather than having an IFA. If having an independent adviser is good enough for some people in our society, it should be good enough for people in my constituency. The proposals should be reconsidered, and I endorse the call for the FSA to think again about the damage that it is doing to a very important service in my communities.

8.54 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Members for West Worcestershire (Harriett Baldwin) and for Wyre Forest (Mark Garnier) on introducing this apt motion. It has certainly galvanised a lot of interest in my constituency. Like all hon. Members, I have received e-mails, letters and phone calls, and I have held personal interviews, so I have had lots of information. My constituents have made it clear to me from the outset that this is not just about advisers who provide help to wealthy people who can stay at home and watch their money work and grow. I am speaking tonight on behalf of people who have a small sum of disposable income and who wish to enhance their small pensions at retirement age and seek help and advice from financial advisers. They have asked me to speak on their behalf, and I happen to know that some of them are watching the Parliament channel to see that I say what I said I would say.

One constituent sent me some background information, which sets out the situation very clearly. The retail distribution review appears to offer solutions—at least on paper—to matters which the FSA has identified as problematic within the industry. I am not aware of those problems, which concerns me. The FSA believes that the measures set out in the RDR proposals will provide for greater consumer confidence and engagement within the industry. It is planned that all advisers attain the qualifications and credit framework level 4 qualification by 31 December 2012.

A constituent of mine wrote:

"I have attended seminars at which RDR and the future of Independent Financial Advisers are discussed. They all have the same line…segment your client base…they give guidelines how to do this so that we have an income stream from a fee base structure. If I were to follow this suggestion I would have 3 clients left. When I question this approach, on every occasion the reply is…I need to change my market."

Did anyone ever hear such advice in all their life? Goodness me!

Tom Blenkinsop: Building society closures and the exodus of the large phone service companies have reduced almost to nil the supply of premium products for those on low incomes, particular the 4 million who still feel disengaged. What do the hon. Gentleman's constituents think about that?

Jim Shannon: I thank the hon. Gentleman for his comments. I have the same concerns.

It is estimated that it takes 400 hours to do the exams. That is approximately 10 weeks when people do not have the opportunity to earn money or do what they normally do. Advisers in Strangford have painted a different picture to that painted by the retail distribution review. Most of the customers of advisers in my constituency are working class. I have been informed by many financial advisers that they have spent time with people without receiving any financial reward—we have heard that from hon. Members on both sides of the House tonight.

One adviser offered advice to a female client who was about to go through a separation. She was stressed out about her finances, but the adviser spent a lot of his time on the phone to her. For all his work, he earned not a penny. The road that the regulator is pushing advisers down will mean that they will be unable to afford time if they do not get paid. Will we therefore end up with people being unable to afford sound financial advice, exactly as the hon. Gentleman said?

I represent a rural area, as do many hon. Members, including the hon. Member for Aberconwy (Guto Bebb). We are aware how the proposals will affect and impact on people in rural areas. Consumers will suffer substantial and unprecedented detriment owing to the unintended consequences of the proposals. Would it not be wiser or better to protect grandparent rights, as at least two or

three hon. Members have intimated? Doing so would give the protection that many need. A substantial portion of the adviser population will leave the industry. Various surveys have been conducted and although there is no consensus on the figures, it is obvious that adviser numbers will fall drastically.

One of my constituents in Strangford wrote:

"I am 54 years of age…the heavy regulation is taking its toll. I am ¾ of the way through the new exam structure. Many advisers are finding it impossible to pass these exams as many are over 55 and are finding the stress unbearable."

Another hon. Member referred to a 63-year-old adviser for whom contemplating exams will put him away in the head. The result will be anxiety, depression and stress. My constituent predicted a drastic fall over the next three years in the number of independent financial advisers. He continued:

"Advisers are finding the regulations unbearable, and many are having problems due to"

what is taking place. He made a statement that I found moving and honest:

"We are all starting to swallow the negativity thrown at us by the regulator over the past numbers of years, which is trying to kill us off".

Now IFAs are facing another obstacle and barrier. We cannot afford for any businesses to be lost, especially ones that will take the financial burden off the state by enabling people to supplement their pensions and not need state aid and benefit. They are the people in my constituency and across Northern Ireland on whose behalf I wish to speak.

Robin Stoakley, head of intermediary business at Schroders, said:

"I do see up to 30 per cent of the IFA market leaving".

How on earth could we support something that would take away 30% of the IFA market? Furthermore, Aviva UK Life marketing director, David Barral, said the firm predicts that by 2013, IFA numbers will fall to 10,000, leaving middle market consumers unserviced.

Andrea Leadsom (South Northamptonshire) (Con): Does the hon. Gentleman agree that at a time when we desperately need small and medium-sized enterprises to be increasing their activity, not reducing it dramatically, this is a disastrous thing to be happening?

Jim Shannon: I agree wholeheartedly with the hon. Lady. The one great thing about tonight's debate is that we have, I think, a united front—if that is the way to put it. All the parties are in agreement, which is good news.

Time does not permit me to go through the long list of people in the industry agreeing with the prediction of a sharp decline in the number of advisers owing to these proposals. However, it is clear that there is a definite problem with these regulations and their impact on IFAs. If the adviser population falls by about a third, as predicted, it will leave millions of consumers without an adviser. Some will migrate to other advisers—we understand that—but a great many will be left without a trusted source of advice. The UK currently suffers from the largest saving retirement and protection gaps in its history, and it is essential that these gaps and the current over-reliance on the state are reduced. I think that many in the House are prepared to accept that.

The UK can ill afford to lose 10,000 advisers. Such a catastrophe would intensify the existing problems. The UK's leading consumer champion, Martin Lewis, of Money Saving Expert, remarked:

"There's a worrying possibility that the FSA is about to kill off"—

his words—

"independent financial advice in the UK for all but the wealthy. I do hope I'm wrong. I'm not convinced most people will want to pay for advice. The commission route has the advantage that you don't pay a fee each and every time you want information; you can go without the worry of laying out cash."

That is an expert's opinion.

I speak not only for the financial advisers in my area who have been forced out of their jobs, but for the wee man and the wee woman who have asked me to come here and fight their case for them. I also stand for the thousands of people in my constituency who benefit from the current system. People who are forced to pay for all advice offered will be unable to invest much, and therefore will not invest or, worse, will invest somewhere they should not, with dire consequences. I am aware that it is the FSA that is making these recommendations, and I ask the Minister to do the honourable thing and support the alternative proposals put forward. They would benefit the larger advisers, as the FSA is trying to do. However, we also have to look after those disadvantaged consumers, so I urge the House to support them.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. May I remind hon. Members that I want to begin the winding-up speeches at about 20 minutes to 10? There are 16 Members who still wish to speak in this important debate, although there might be more—I have not seen them all. Hon. Members do not have to use the six minutes, but I am not going to reduce the time limit, because I appreciate that it is difficult to make the strong arguments hon. Members want to make in less time than that.

9.4 pm

Tessa Munt (Wells) (LD): I have taken feedback from my local independent financial advisers in rural Somerset. The general approach to the retail distribution review has fundamental flaws and will inevitably fail in one area—which is surely to encourage people to buy more financial products and to take responsibility for their financial futures. The RDR will fail because the regulator is trying to impose on the industry an advice process and a particular bids model without recognising or understanding the realities of what the public want.

Surely it would be better to find a way of developing an environment in which product providers and advisers have the freedom to develop their own business models, providing that they were honest and straightforward with clients and treated them fairly. That would allow innovation and would have some chance of success. The whole situation is similar to what happens when central Government try rigidly to control everything, instead of delegating responsibility to local authorities. Central Government do not always understand the issues at the grass roots and may get it all wrong. This Government should move us away from a prescriptive approach to one that allows an element of freedom.

Neil Carmichael (Stroud) (Con): Will my hon. Friend give way?

Tessa Munt: I want to be brief.

We should consider what an IFA's clients are seeking to buy when they look at financial products, look at what they do not like about the present procedures and consider whether the RDR will change anything. A constituent of mine has stated that when his clients buy their financial service products, they are seeking a similar experience to that when they buy other goods. First, they want the buying process to be a simple and pleasant experience. If the Government wish the public to buy more financial products and take responsibility for their future, they should not forget that fundamental point. That is not easy to achieve in the current environment. For a start, most clients do not like to be issued with mountains of complex paperwork. They find it quite intimidating.

Secondly, a lot of people visit an IFA with a specific purpose in mind—to invest some spare funds, to discuss their pension, and so on. They wish to restrict the conversation to those points that they believe are relevant and, having listened to what the IFA has to say about the matter, will wish to make up their own minds about whether the product under discussion is suitable for their needs. However, once in discussions, people often have to go through the IFA's "advice process", and are no longer responsible for their own decisions. The IFA has to be sure that the product is right for them, so these people find themselves undergoing a time-consuming and irritating process, having to answer personal questions that they often consider an invasion of their privacy.

Thirdly, clients quite rightly seek value for money. Unfortunately, the whole regulatory procedure is so cumbersome that it is no longer cost-effective for those with limited funds to seek an IFA's advice. The cost of many financial products has risen dramatically. For example, 30 years ago the annual management charge on a unit trust was usually 0.25% or sometimes 0.375% per annum, but now it is usually 1.5% per annum. Much of the increase has arisen purely as a result of regulatory costs. A significant part of the cost increase is driven by regulation, so everyone suffers.

Will the RDR change any of the above? Not in my opinion: there is little evidence that any of those fundamental issues will change as a result of the RDR. We are all in favour of raising standards, but further examination passes will not address any of those issues.

Annette Brooke (Mid Dorset and North Poole) (LD): Does my hon. Friend agree that it is quite surprising that even where IFAs are well on their way to getting the new qualifications, they are still against the system and see the exams as pointless? The new qualifications will not weed anybody out, which might have been their objective, because everybody sees them as inappropriate for the job that these people do.

Tessa Munt: Absolutely, and I thank my hon. Friend for her intervention.

The cost of paying for the IFA's time will not change. We are all in favour of raising standards, but further examination passes will not address any of the issues that I have set out, and clients will not mind whether they pay commission or fees. To improve matters, the regulator must lessen the threat of litigation by giving clients the freedom, if they so wish, to take an element of personal responsibility in their decisions and to buy from an IFA after those discussions. The regulator must also stop telling IFAs how to structure their business models and must allow them be innovative. Without the mountains of regulation, most experienced IFAs could significantly improve the service that they offer their clients while dramatically reducing their charges. Also, they could probably employ more people and could significantly improve the customer's experience.

I would like to quote from two small independent financial advisers in rural Somerset. One says:

"If the RDR goes through in the current format I am likely to lose the adviser...I employ. He is highly intelligent (a university graduate) and has over 20 years relevant experience. He is very competent to undertake the work that he does. However, he is in his...fifties and is busy with two children still at home and another at university. At this stage of his life he simply does not wish to use all of his spare time studying for further examinations. So this will be another person in your constituency without a job—so unnecessary."

The second person said:

"I am lucky, I have all the necessary exams. I just hope they do not raise the bar again. I really could not face the pressure of having to pass more exams at my age. If it happened, I would have to close and more people would lose their jobs."

The FSA in this case is judge, jury and executioner. I ask the Ministers to reconsider the rules for 2013, and to reopen talks with the FSA, to make it possible for independent financial advisers to offer the high-quality service that they want to give to their customers.

9.10 pm

Nia Griffith (Llanelli) (Lab): I recently met a group of independent financial advisers who serve Llanelli and the surrounding area. They fully understand the need to have a properly regulated industry, and the need to improve consumer confidence. They want high standards, and I can assure hon. Members that they simply would not get away with it if they did not have high standards, particularly in a close-knit community, where everyone knows whether they have done well or badly in their last transaction. Their next custom really does depend on that. They also made the point that they already have certification. In addition, many of them have a great many years' experience. They also accept that new entrants to the profession need proper qualifications and training.

A number of difficulties have already arisen with the new scheme. The first relates to the availability of slots to take the exams at the examination centres. One independent financial adviser in my constituency is waiting for a slot to take an exam in January in Bristol. Now, Madam Deputy Speaker, there is nothing wrong with Bristol, except for the fact that it is some considerable distance from my constituency. There is also the inconvenience of having to travel there in the winter, to fill a particular slot for a particular examination. If that slot were not available, they would have to go somewhere else.

Andrew Bingham: Does the hon. Lady agree that, if grandfather rights were to be introduced, as many of us wish, it would not only be fair to existing IFAs but release more slots so that new ones could come into the market, thereby increasing competition and choice for consumers?

Nia Griffith: Indeed, there are certainly issues about the way in which the whole system has been set up and run, and about whether it can be worked properly. As the hon. Gentleman points out, to have so many people trying to take the exams in just two years is not particularly practical. The time scales are extremely tight, and the independent financial advisers have to book into the slots. Another problem, of course, is that they do not always pass the exams.

That brings me to the nature of the exams. As I have said, independent financial advisers already have certification, and I have seen some of the questions that they have to answer in order to gain that certification. Many of them seemed to require a very different kind of knowledge from the knowledge that the IFAs in my area usually need. Furthermore, IFAs are fully aware of their own shortcomings. They know that they have limitations, and that they will sometimes need to pass a client on to someone else for specialist advice.

One very experienced financial adviser in my area is a well respected member of the community who is very much involved in local town centre activities and in keeping the community alive. He recently failed one of these exams, however, which has knocked back his morale and that of a number of other financial advisers who know him. He failed the exam not because he was not perfectly capable of doing his job or because he lacked intelligence or experience. That seems only to confirm that the nature of the exams needs to be reconsidered. We also need to take into account the enormous amount of time that has to be put into them —400 hours has been mentioned, and that is probably the minimum—as well as the costs involved.

I know from experience of developing new examination schemes what happens in such circumstances. Everyone wants to put in their 5p worth and everyone wants extra questions on their area, and the whole thing develops until it becomes so big and unmanageable that no one could possibly want it as a syllabus. Another problem is that people are often terribly worried about being thought of as soft. They are worried that someone is going to tell them that standards are falling, so they decide to put in harder and harder questions to try to counteract that.

Harriett Baldwin: Have any of the hon. Lady's constituents been able to observe how the qualifications might help to identify those independent financial advisers who might have a tendency to mis-sell, compared with those who might not?

Nia Griffith: My constituents have made clear to me that many of the questions do not bear much relation to what they do in their everyday work, and are certainly not a test of their integrity. That does not mean that they do not want regulation or do not like the idea of having proper qualifications and a respected profession, and it does not mean that we should abandon the RDR altogether. What those people are saying is that we should look at the detail again and create a workable system that can be respected and is a useful tool, rather than one rejected by the profession that will not help anyone in the long run because it will simply lead to an exodus that will have the impact on local communities that many Members have described.

Mr Robert Buckland (South Swindon) (Con): I probably know some of the constituents to whom the hon. Lady has referred. Some of them have been in touch with me, as well as with my local independent financial advisers. In other professions, when it comes to continuing professional development and examinations, those who specialise concentrate on their specialities, and therefore undergo tests that relate to their experience. The problem with the RDR regime is that it is far too general. That puts people in a really difficult position, which is unfair.

Nia Griffith: My friend and compatriot is right. That is why those responsible refer such people to others. They know that they do not know everything; they know what they do know, and they know what they do not know. This is not about throwing the baby out with the bathwater. It is not about abandoning the system altogether. It is about getting it right: it is about having another look, and establishing whether there are ways of implementing the system that will make sense. We need an arrangement that will not create a time scale that is difficult to adhere to, will not depend on slots that are impossible to secure, and will not involve questions the answers to which people will not need to know in their professional lives. We need modifications to make the system much more manageable.

9.16 pm

Geoffrey Clifton-Brown (The Cotswolds) (Con): I will speak very briefly. I will chuck away my notes, and see if I can do better than six minutes. I am delighted to be able to speak in the debate. I was urged to do so by two constituents in particular—Roger Clark, who is listening to the debate not far away, and Mr William Dixon—but others have written to me as well.

The number of IFAs has fallen from 32,000 to 29,000 in the last two years. When Hector Sants, the excellent and much revered and admired chairman of the FSA, appeared before the Treasury Committee last week, he estimated that between 10 and 20% of IFAs would go out of business as a result of the RDR provisions. I ask Mr Sants this: who are we—who is he—to put 5,800 companies out of business with a stroke of the pen, and what is the problem that needs fixing?

Many Members have quoted the figures this evening. complaints about IFAs to the financial ombudsman's office: 2%, of which 39% are upheld. Complaints about the banks: 61%, of which 50% are upheld. No doubt my hon. Friend the Minister will say that that is because the banks offer a wider range of services. Of course they do, but I do not think that that explains such a large disparity.

I want to make three points. The first relates to the qualifications and credit framework level 4 qualifications. I am a qualified chartered surveyor, but I cannot think of a single professional body whose members would have to obtain a retraining qualification halfway through their careers. My hon. Friend and neighbour the Member for West Worcestershire (Harriett Baldwin) mentioned nurses, and other hon. Friends have mentioned publicans. None of those have to retrain.

Let me say one or two things about these exams. I agree with others that there should be grandfather rights, and I think that the implementation should be put off for five years. As we all know from the home

[Geoffrey Clifton-Brown]

information pack debacle, it takes time to implement exam regimes of this kind. I think that 31 December 2012 is too soon. I also think that it would be perfectly reasonable to ask new entrants to the IFA profession to undergo the exams, but to give grandfather rights to existing practitioners, many of whom have had many years' experience.

I understand that two kinds of qualification will be granted under the new regime: a restricted qualification and an independent qualification. Someone will go to an IFA who will say, "I can advise on mortgages but I cannot advise on pensions, because I have only a restricted qualification." I think that that is thoroughly unsatisfactory.

The second issue I want to talk about briefly is commission-based product withdrawal and the accusations that it can lead to practitioner bias or product bias. The Financial Services Authority asked Charles River Associates to undertake a survey into the matter, and he concluded that

"there was no evidence that moving to"

a fee-based model

"to the exclusion of a commission would lead to benefits since consumers choosing to pay on a fee basis do not receive better advice than those opting for a commission basis."

I also agree with those who said it will favour the wealthy in society and put the poor at a disadvantage, because the poor cannot afford to pay this fee up front, while the idea of phasing it in over a number of weeks or months would be unfair to IFAs. That proposal is therefore not very sensible either.

The third issue I want to raise is the cost of compliance. Two years ago the cost was estimated to be £680 million; last year it was estimated to be £1.4 billion; today it is estimated to be a staggering £1.7 billion. That is £6,000 for every practitioner. For a sole trader or a small business, that is a huge amount of money, while for large IFAs with a number of partners it does not matter quite so much. I therefore urge my hon. Friend the Financial Secretary to consider very carefully what has been said today. I cannot remember a debate during my entire 18 years in Parliament where there has been such consensus of interest and so many Members have attended when they do not have to be in the Chamber as there is not a three-line Whip.

I urge my hon. Friend to listen to what has been said tonight, and I urge the FSA to think again, and to ask itself what the problem is that needs fixing. These are all small businessmen and small traders; they are precisely the people we were saying throughout the election campaign that we wanted to help, yet these proposals of ours are likely to put large numbers of them out of business.

Finally, I want to refer to the point made by my hon. Friend the Member for Aberconwy (Guto Bebb). I represent a rural area, and I know that banks have closed many of their branches in the high streets of my small market towns. If the IFAs are driven out as well, a lot of my poorer constituents will be left without any form of independent financial advice at all, at a time when the banks, if they are there at all, are offering a reduced service.

My hon. Friend the Financial Secretary is a reasonable man, and I ask him, please, to listen carefully to what has been said tonight. We need to have a rethink on this matter.

9.22 pm

George Hollingbery (Meon Valley) (Con): I, too, will abandon my notes this evening, and restrict my remarks to one or two brief points.

Most of the topics have been more than adequately covered. There have been a great many well-made speeches in which many powerful points were made. There has been a lot of discussion about grandfathering, and I think it is worth pointing out that there are other ways in which IFAs could be grandfathered into the industry other than just a blanket allowance so they can all carry on practising. For example, would it not be possible for IFAs with more than X years of experience to continue advising clients who had been on their books for more than Y years, with their clients' written consent? I can see no particularly good reason why people should not be able to elect to do that.

Also, if an IFA has X years of experience with no established complaint against their name, might they be able to pay to have an independent examination of their records to establish whether they had been responsible for some of this alleged mis-selling which the FSA is so clear has been going on behind the scenes, but which has not been recognised by many clients? It seems to me that there are ways forward that the FSA could follow to make sure we get the benefit of the experience that exists in the IFA community, and which otherwise looks as though it is going to be lost.

I am very worried that in the short term newly qualified advisers may lose out on the chance to be mentored by experienced colleagues, particularly if large numbers leave the industry. We may well also find that a number of clients suddenly lose the person from whom they have received advice very happily for a number of years, and they might not be at all confident or happy to change that adviser. At a time when clearly so many people have neglected to provide for their later years, it seems to me perverse that we should be reducing the number of suppliers in the market.

Sarah Newton (Truro and Falmouth) (Con): Does my hon. Friend agree that at a time when the Government are making such welcome reforms to our pensions system, people will need independent advice more than ever, and if we press on regardless with these changes there will be increased costs and less access to such independent advice?

George Hollingbery: My hon. Friend's point is, of course, very well made. With auto-enrolment schemes more advice, rather than less, is going to be needed, and there is no doubt in my mind that we need more advice right now. In short, the FSA still has not answered a large number of questions adequately, and I will certainly not be convinced that the retail distribution review is adequate or worth while until we receive some of those answers.

9.25 pm

Pauline Latham (Mid Derbyshire) (Con): I congratulate my hon. Friends the Members for Wyre Forest (Mark Garnier) and for West Worcestershire (Harriett Baldwin) on securing this debate and on the passion with which they made their points. Indeed, I congratulate all hon. Members in the Chamber on their passion and strength of feeling about this review.

I have been contacted by a large number of constituents who work in this sector and are worried that the retail distribution review will have many unforeseen negative impacts on their employment. I hope that the review is not a knee-jerk reaction to the recent financial crisis.

Neil Carmichael: A recurring theme of this debate has been the heavy-handed nature of the Financial Services Authority: people have said that a sledgehammer is being used and so on. Is it not time for us to recognise that it ought to be held properly accountable, just as other quangos are and just as we intend them to be? This persistent theme is at the heart of this discussion and we need to address it.

Pauline Latham: I am sure that the Minister will take my hon. Friend's views forward, and I thank him for the intervention.

I believe it is right that the customer is always put first when it comes to their money. We cannot go back to the financial irresponsibility that led us into the crisis in 2007, which we are, thankfully, just getting out of. Therefore, splitting the financial advice sector into two is probably a good thing, but we must make sure that the advice given by advisers in the primary sector will not stop people moving into a financial position where they will require the full range of services offered by the higher financial advice sector in the future.

My constituents have also suggested that the proposed regulation will force between 30 and 40% of financial advisers to leave the sector, and many hon. Members have mentioned figures of 20, 30 or 40%. It is vital that that does not happen. As my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) said, we are in the business of keeping small businesses and promoting them. We need to do that in this instance, because we do not want all these people to be out of work at a time when life is difficult.

Training and recognised qualifications are important, as they demonstrate to the customer that the financial adviser they are employing to deal with their future can be trusted. If we all agree that there should be a better qualification, surely it should be for those new to the sector and not for those who have had the years and years of experience that we have heard about in various examples. If this proposed qualification is to be in place by 2013, surely we will be rushing it and too many people will be trying to do it, so there will not be enough providers to allow this to happen.

What will happen to all these people who leave the sector in the rural areas and small towns? Very often there are not many of these people in such places. It might be fine if this occurs in cities, where more choice is available, but there is not a lot of choice in rural areas. There is a worry that a lot of the people who will need to take this qualification if it is imposed will not be able to do so in the short time available to them before 2013. Nick Cann, chief executive of the Institute of Financial Planning, has said that the FSA must develop a "catastrophe strategy" in case it reaches June 2012 and half the advisers are not meeting the RDR requirements.

The other concern that the financial advisers in my constituency have mentioned is that the proposed changes to the sale of financial advice will lead to customers being worse off, as they will not be given the range of options currently on offer. Surely, if anything, we should be looking at providing choice for people. Leading critics suggest that the more lucrative financial advice roles will be moved to the banking sector, which will mean that customers will be offered only options that benefit the bank.

Interestingly, the mystery shopping exercise carried out by Which? across the industry concluded that its

"surveys tend to show that IFAs perform better than banks."

Based on all the evidence that we have heard tonight, I believe that, irrespective of whether it is the desired outcome or it happens by mistake, the increase in the role of the banks in the financial advice sector is wrong and worrying, and that we should be looking at providing choice.

Richard Howells, the director of Zurich Life, said in June 2009:

"The big question…is still around what benefit it will have for the ultimate consumer. I am still not convinced that all of these changes, when you sit down with a consumer and explain them, actually give rise to a consumer benefit that I can…hang my hat on."

I believe that the aim of the RDR is vital in ensuring that the consumer is defended and our financial sector is strengthened in the light of the recent crisis, but I do not believe that the changes need to be made as the FSA says at the moment. I simply ask the Minister to ask the FSA to reconsider the outcomes of the review and to ensure that its original aims, set out when it began back in 2006, have outcomes that will be advantageous for the whole sector and, more particularly, for the customer, whom we should be protecting. I am sure that the Minister will ensure that the passionate arguments made in the Chamber tonight are taken forward and that they will colour his views.

9.31 pm

Mr Matthew Offord (Hendon) (Con): The FSA has been held by some observers to be weak and inactive in allowing irresponsible banking to precipitate the credit crunch in 2007, which, as many Members will know, involved the shrinking of the UK housing market, increased unemployment, the public acquisition of Northern Rock, and the takeover of HBOS by Lloyds TSB. I remain fundamentally concerned that we have allowed the same organisation to undertake a review of independent financial advisers in this country.

As you are no doubt aware, Mr Speaker, the FSA has devoted massive resources to the RDR over the last three years, during which time it had taken its eye off the ball so far as the banks were concerned. Ironically, the FSA's light-touch regulation of the banks, which are, as many Members have said, responsible for the vast bulk of consumer complaints, went on simultaneously with the massive intensification in regulation of financial advisers, who cause hardly any complaints to the Financial Ombudsman Service.

That all came at a time when the mortgage market virtually ceased to exist for financial adviser firms through a combination of tighter lending criteria and positively anti-competitive practices such as dual pricing by lenders. As a result, many financial advisers and mortgage advisers have gone out of business and many more will face the same fate in the next few years.

The sector employs thousands of people, such as my constituent David Barnett who is listening not so far away, and advises millions of others, such as me. Many

[Mr Matthew Offord]

people will struggle in the years of austerity to come, and those people—our electors—need us to help them to balance their budgets and avert financial disaster when the worst happens. They are looking to us to do that tonight. We must also look towards the financial advisers, many of whom are part of the creation of small and medium-sized economies in rural areas and in some suburban areas, such as my constituency.

The RDR is a long and complex affair, and I shall not repeat the details now. My understanding from my constituents is that it boils down to two main themes—remuneration and qualifications. As it stands, it looks as though the entire remuneration system will be changed to one that will cause confusion, confrontation and a loss of service to the mass market. Qualification requirements are being ramped up and thousands of advisers are under pressure to gain their diplomas before 31 December next year. At the very time when business conditions have never been more difficult, advisers are being forced to spend hundreds of hours earning diploma points when they could be earning a living for their families.

The latest directive from the FSA is a requirement that whenever a life assurance policy is sold financial advisers must illustrate to the client the total premium cost over the entire policy term. The total cost of a life assurance policy is irrelevant—the only costs relevant in the purchase of life cover are that the premiums for the contract recommended are demonstrably fair and competitive for the type and extent of cover being bought when it is bought in a free market and that they consider the potential cost to the client and the client's family of not having the cover if he or she suffers disabling ill health or death. Requiring an illustration of the total cost over a period of 20 to 25 years simply creates an off-putting and distorted impression to the consumer. Financial advisers are being asked to spell out the total theoretical cost of life cover and thereby to accentuate its negative aspects. A simile for this would be vehicle manufacturers giving prospective purchasers the likely finance, running and maintenance costs of the vehicle they are selling over its projected life. The FSA has gone too far. In fact, it went too far a long time ago, although it should certainly ensure that advisers are competent and honest.

Richard Graham (Gloucester) (Con): Does my hon. Friend agree with the former chief ombudsman that the idea that complaints will go down after the RDR is wishful thinking? Does he agree with the head of HBOS that the main beneficiaries of RDR will be the bank assurers? We are looking at the law of unintended consequences.

Mr Offord: I certainly do agree with my hon. Friend and many others who have made the same point. The main beneficiaries will be the big banks, including many of those that got us into the difficult situation that the coalition Government are having to address.

I should like the FSA to keep its nose out of normal commercial transactions and to leave business to businessmen such as the many constituents who have been mentioned tonight. If the FSA should be giving the public any message, it should be, "Protection is valuable and essential, so you should see an IFA and get some." Instead it gives out the message, "Look how much you'll spend over the life of a policy," without addressing the benefits of that policy.

Independent financial advisers would like to be left to get on with their jobs, employ people, pay their taxes and look after their clients. They create wealth, look after our voters and, unlike the massive, over-complicated, expensive and unnecessary changes proposed by the FSA in the RDR, their requests are very small, simple, cost-free and necessary. They are just asking the Government to direct the FSA to revise the outcome of the RDR so that there is no change whatever to the current rules on remuneration and disclosure and to move the deadline for diploma qualification to 1 January 2016. I ask the Minister to ensure the same.

9.37 pm

Anne Marie Morris (Newton Abbot) (Con): I will make my comments brief because I am conscious that we are short of time. In my constituency, I have more than 50 very small independent financial advisers, a number of whom have come to speak to me about this issue because they are very concerned about the future of advice in our very needy constituency, which has four towns and 30 tiny villages. Those people serve the financial needs of the community.

We need to consider the increasing overall need. Students are increasingly going to need help to sort out how to finance their education. People in or out of work are increasingly going to have deal with redundancy and will want to know what to do when they suddenly get that lump of money to keep them in health. People will want to know what to do with a small inheritance should they be so lucky to get one. For the elderly, the change in pension provision is extraordinary and we will have to help people to deal with pension auto-enrolment—should they fall out of it or stay with it? There is much to consider and much help is needed.

Of course there are IFAs who have a bad reputation. Some sold products when it was inappropriate to do so just to maximise commission, some sold badly performing products and others mis-sold precipice bonds, which was unforgivable. With a cost of £45 million a year to the consumer, we need to address this issue, but what can we do? The retail distribution review is absolutely welcome, but we must strike a balance. We must get something affordable and the FSA must enable IFAs to remain in business while protecting consumers. How can we do that? The Government have said that 50% of IFAs in the profession would already comply, so what of the other 50%? Clearly, there is an issue and we need to make sure that more of those people stay in rather than fewer; otherwise, the predicted savings to consumers of £1.8 billion will not be made. That is not what this Government are all about, so we need to consider a different way of proceeding.

I spent 30 years in a profession that has parallels with this one and I should like to draw the House's attention to some parallels that might help the Minister. In my time as a lawyer, I looked at the changes that the Law Society wanted to bring about when it considered introducing continuous professional development for older members of the profession. Instead of putting 35 hours in place immediately, the number of hours was

slowly ramped up over a five-year period. The scheme did not just enable people to have out-of-office time; study time in the office and in the evening counted as well, which was helpful. I suggest the Minister looks at that system. We need to look at a modular approach for exams and at distance learning. As one of my hon. Friends pointed out earlier, we need to look at qualifications that are relevant to the business the individual is practising.

I wholeheartedly support the comments that have been made about experience and the idea of grandfathering. I was formerly a professional mentor, and with the European Mentoring and Coaching Council I looked at how we might develop qualifications and accredit people already in a profession. We looked at a framework model that enabled people to qualify when rules changed. I certainly commend that to the Minister.

The point about the big bang in 2013 when everything will change is absolutely right. That is not an appropriate way forward. I hope the Minister recognises that the businesses we are talking about are microbusinesses. Costs are crucial. Fees for IFAs have gone up by 4.8% this year, and I hope he is not thinking about the national financial advice service, at a cost of £50 million to the industry, replacing in any way the financial advisers who will undoubtedly fall out of the system.

9.41 pm

Chris Leslie (Nottingham East) (Lab/Co-op): I congratulate the hon. Member for Wyre Forest (Mark Garnier) on initiating this well-subscribed and, so far, very moderate and well-tempered debate on behalf of the 33,000 independent financial advisers in the industry. Clearly, the matter is of concern. I suspect the Minister is thanking his lucky stars that we do not have a votable motion at the end of tonight's portion of the debate, as we did in the earlier section on banking reform.

The Financial Services Authority started the retail distribution review many years ago. A consultation paper came out in 2009. Earlier this year, we had the proposals, although they will not come into force until 2012, so this is a useful period when the House should debate and consider them. It is a matter of regret that too few of these crucial regulatory issues are subject to parliamentary scrutiny, as Government Members have observed.

Some extremely legitimate points have been made about the need for sensible transition—if we are to have change—to new arrangements, which, in the words of the hon. Member for South Derbyshire (Heather Wheeler), do not throw the baby out with the bathwater. That is one of the phrases in the debate that particularly comes to mind, but a number of points were very well made, especially when we think about the comments of the chief executive of the FSA. Is it really acceptable that between 10 and 20% of the profession could leave as a result of the retraining requirements, shrinking the availability of independent advice? The hon. Member for West Worcestershire (Harriett Baldwin) rightly questioned what would happen if a Minister were to stand at the Dispatch Box and announce the demise of a similar proportion of an industry.

It is important that we take a pro-consumer approach to regulatory change—as the Opposition certainly do. Undoubtedly, it is necessary from time to time to look at the framework within which consumers get that advice, and I do not begrudge the FSA's moving in that direction. However, there are some serious questions. On balance, it is right that we move away from fee structures that are, to a certain extent, hidden in the margins, where sometimes commission may not be transparent for customers and products are recommended even though it does not necessarily say on the tin how much of the fee will be returned to the adviser, but—

Mr Graham Stuart: Will the hon. Gentleman give way?

Chris Leslie: I just want to make a point about the ending of the commission system and the placing of the fee, perhaps straightaway, in an up-front form for the consumer. There may be risks that are similar to those related to the argument about up-front tuition fees, because people may be deterred from taking the advice in the first place. They may feel that the system is too difficult. As my hon. Friend the Member for Barrow and Furness (John Woodcock) said, we have to ensure that any fees are disbursed throughout the period of the product.

Mr Stuart: There will always be some form of bias in the system, at least conceptually, regardless of how we reward IFAs. Whether or not there is a fee-based system, they will still be more likely to receive a fee if they propose the sale of a product. Does the hon. Gentleman believe that getting rid of commission is the right way to go? Why not regulate from the product end? Why not get rid of 10% commission, if that is felt to be a gross abuse? Why not limit the size but allow commission, which the public understand and quite like if it does not force them to pay up front, which it seems from surveys they do not wish to do?

Chris Leslie: As I say, this is a good time to debate those matters. There are options that must be explored. We have not bottomed out the debate. Perhaps the Financial Services Authority can consider not necessarily the hon. Gentleman's suggestion in particular, but why commission changes are not being made across the wider financial services sector. There have been historic problems with mis-selling of products, not solely from an IFA perspective, and I can see why many people feel that these changes are necessary.

I would not counsel hon. Members to take issue with every section of the RDR—many of those who spoke in the debate did not. It is right, for example, that there should be proper clarity between independent and restricted market advisers, and that rather than waiting for the customer to inquire, there should be full disclosure on that up front.

Alun Cairns *rose—*

Chris Leslie: I have only a couple more minutes.

The crux of the matter must be the issue of qualifications—the A-level equivalent threshold for financial advice. Although I understand the move to a QCF level 4 standard, which seems entirely fair, it is sensible that there should be a mechanism to allow some sort of conversion of existing qualifications or existing experience to that new level 4 qualification. I cannot believe it is beyond the wit of the FSA, Ministers and others to find some way of doing that. Hon. Members such as the hon. Member for Meon Valley (George Hollingbery)

[Chris Leslie]

spoke about how we should look at the grandfathering issue and what options there might be. It is important to move that forward.

Alun Cairns *rose—*

Chris Leslie: I should like to conclude because I want the Minister to be able to explain in a way that he did not necessarily do in the first flush of debate on the topic in Westminster Hall, and possibly reflect the views of the vast number of Conservative Members. I am still perplexed that the Financial Secretary to the Treasury chose that McDonalds diploma analogy. Perhaps he will reflect on that and recognise that some IFAs were slightly astounded by that reflection on their professional integrity. He might want to choose his words more carefully.

It is important that parliamentary accountability should be voiced. The more I reflect on these financial services policy issues, the more it strikes me that there is a democratic deficit. No, we do not want to be embroiled in the day-to-day operational issues of regulation, but policy is policy and we are accountable for that. Perhaps, as my hon. Friend the Member for Leeds East (Mr Mudie) suggested, we can return to the issue when we come to the FSA reform Bill and discuss amendments to that. Hon. Members will log and remember today's debate and we can come to that later on in the day.

It is a shame that there is no motion tonight on the issue. It would have been useful for Members to express the formal position of the House of Commons on the matter. This is a time for the Minister to listen to the debate and perhaps reflect carefully on the measured and worthwhile comments that have been made by hon. Members across the Chamber.

9.48 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I congratulate my hon. Friend the Member for Wyre Forest (Mark Garnier) on the way in which he opened the debate this evening. He gave a balanced perspective on the changes that we are trying to make to improve standards for consumers, how that sits with the IFA sector and some of the challenges that a change in standards will create.

It is worth reflecting for a moment on the responsibilities of Parliament and of the FSA. Parliament set out the framework by which the FSA operates. The Financial Services and Markets Act 2000 sets out its objective, powers and how it goes about exercising its responsibilities. For example, there is a requirement to consult. As we know, there has been a long process of consultation on the RDR since the previous chairman of the FSA raised the matter in 2006. There have been a number of iterations and debates about consultation documents and discussion papers. Consumer groups, product providers, IFAs and their trade bodies have participated in a very lively debate, but the FSA is rightly responsible for implementing day-to-day regulations, and I know that it takes very seriously parliamentary scrutiny of its role. I spoke to the chief executive this morning about the Treasury Committee's scrutiny last week and the debate this evening, so the authority is well aware of parliamentarians' concerns. It is right that the FSA gets on with its job but listens to the issues being raised.

I counsel caution, however. It is all very well to think that we should engage in the regulatory regime when we think we are going to help one group or another, but there are times when regulators make difficult decisions on behalf of Parliament and our constituents, so we need to think very carefully about where the balance is struck. It might be very attractive in the context of this debate for Parliament to take more responsibility, but hon. Members might feel it less appropriate at other times.

Mr Graham Stuart: Will my hon. Friend give way on that point?

Mr Hoban: No.

Mr Stuart: On that point?

Mr Hoban: No, I will not give way to my hon. Friend, because I have—*[Interruption.]*

Mr Speaker: Order.

Mr Hoban: I have about nine minutes to respond to quite a long debate in which a number of points have been made, and I want to take the opportunity to address some of those issues.

Let me put on the record the importance that I place on independent financial advisers. They play a key role in helping people make financial product purchases and financial choices. High-quality, independent financial advice is vital in ensuring that people are encouraged to save and plan for the future and make the most out of their money. I have used independent financial advisers and been happy with the service I have received, because they have provided me with good-quality advice.

I cannot overstate the detriment to consumers from poor and biased advice. Indeed, the FSA estimates the detriment to consumers from inappropriate advice to be £200 million per annum, and it thinks that the figure could be significantly higher. Consumer detriment has led organisations such as Which? and the consumer panel that advises the FSA to support the measures in the retail distribution review. We need to get that balance right and to address some of the issues that undermine consumer trust in the IFA sector, and the FSA has sought to do so through the RDR.

I have become very conscious—in particular, over the past six or seven months as a Minister—of the financial services sector's increasing complexity, and consumers must be confident that IFAs are fully up to date and that their advice is underpinned by good technical knowledge. There can be few hon. Members who do not support that stance or recognise the benefits that increased professionalism can bring. Indeed, the FSA finds a clear link between increased qualifications for financial advisers and improved consumer outcomes. Under its reforms, consumers will be confident that their adviser has a minimum level of understanding and expertise that is maintained each year through continuing professional development.

We should also recognise that a number of IFAs already comply with those standards. Just under half of IFAs already hold the required qualification and, indeed, many go beyond QCF level 4. Some 89% of advisers already meet the required hours each year for CPD, and we need to recognise the progress that has been made since examinations were introduced in 2008.

I recognise the strength of the debate about grandfathering, and it is an important debate to have, but we need to think about how much experience is sufficient for people to be grandfathers, and about how we can ensure that that experience covers the range of products necessary to provide whole-of-market, independent advice. We ask people to advise on a range of products, such as pensions, insurance bonds and ISAs, and they need such technical knowledge to do so. Consumers are entitled to know that their adviser has a high standard of technical knowledge, and a minimum qualification standard should deliver that.

The increase in standards will not discriminate against those who have kept up to date with market developments, and they should not have to commit a significant amount of time to study. As I have said, 90% of advisers already undertake the required number of hours for continuing professional development, and I think that over the next two years the measure can be used to fill any gaps between existing and revised standards. As a consequence of lobbying by the IFA community, the FSA has relaxed the regulations, so there will be non-exam-based alternative assessments, rather than formal written exams. That is an important move forward that the FSA has already made, but high standards of technical knowledge will be crucial to help IFAs navigate their clients through the increasingly complex choices that they have to make.

I want to touch on the issue of adviser charging. I am strongly committed to increased transparency in financial services; it is important that consumers—whatever they are buying, be it advice or a product—understand the charges and the returns that they are likely to get. That underpins a whole range of work that we are doing at the moment in the Treasury.

Currently, financial advisers can earn different amounts as commission payments, depending on which product they recommend and from which provider. How much they earn is not always transparent; indeed, Which? found that 82% of advisers failed either to explain the "key facts of cost" document or have a meaningful discussion with their clients about how their advice would be paid for. It is important that remuneration arrangements for advisers work in the best interests of consumers and promote independence of advice.

A number of IFAs have already moved away from commission to a fee-based approach. I know that AIFA, the trade association for IFAs, is helping IFAs change their business model. I do not doubt the integrity of the vast majority of advisers, but no one can doubt the financial detriment caused to consumers as a consequence of mis-selling scandals of the past. Following the FSA's pensions review in 2002, 1.7 million consumers received compensation totalling £11.8 billion due to pension mis-selling alone.

Advisers should welcome changes in remuneration as a clear way of building consumer trust in the sector. Consumers already pay for advice, as commission is deducted from their premiums or initial investments. Advice is not free; that money comes out of the contribution that consumers make to their pensions, their investment bonds or their savings for the future. However, it is important that both the cost and the value of advice is clear to consumers. These reforms will provide clarity on price and service and that will promote competition. Just as we want transparency on interest rates paid on ISAs to promote competition among ISA providers, I believe that transparency on IFAs' remuneration will also promote competition and provide a better understanding of the value of advice. It will increase consumers' confidence in that area.

We want to broaden the range of advice available. A number of hon. Members have raised the annual financial health check that CFEB is going to organise. Let me be clear. The cost of that will be borne by a social responsibility levy that will be paid by institutions from Goldman Sachs through to the high street insurance broker. The cost will not be borne by independent financial advisers alone. The biggest firms, such as Goldman Sachs or Barclays, will make the biggest contributions, and they will make a far bigger contribution than IFAs. Furthermore, consumer credit organisations have also been brought into the scope of this; they will also have to pay their share towards the annual financial health check. It is important that the burden should be shared.

Mr Stuart: Will the Minister give way on that point?

Mr Hoban: I wish to conclude my remarks so that my hon. Friend the Member for Wyre Forest, who opened the debate, can conclude.

We want a more responsible savings culture in Britain, in which people can plan confidently for their futures and are better able to realise their plans. Financial advice has a key part to play in that, and I want to see improved levels of expertise and knowledge and much greater clarity over transparency. It is important that the FSA should work closely with IFAs to get to that point. This evening's debate has helped the FSA understand the concerns of Members of Parliament. I am grateful to my hon. Friends for securing this debate.

9.58 pm

Mark Garnier: I am conscious that I have just over one minute to sum up this incredibly useful debate. There has been an extraordinary amount of unanimity on both sides of the Chamber; the debate has been completely unpolitical. We have talked about financial inclusion for those who need help and about protecting smaller businesses. We have questioned why the RDR was necessary and talked about grandfathering. IFAs are singular in the sense that they are not allowed to be grandfathered; long-stopping is something else that they are singularly affected by. We have talked about pushing savers into the hands of the banks, even though the banks have a worse track record than IFAs.

Importantly, we have also talked about the fact that we need more time to address this issue. I completely appreciate that we have already had six years, but we are entering a period when European legislation will be affecting these matters as well. We are also seeing the FSA moving into areas covered by the Consumer Protection and Markets Authority and the Prudential Regulation Authority. There are ongoing changes that give us an opportunity to extend the period.

I hope that three things have come out of the debate. First, Parliament has not had a chance to do this before because it is the first time that we have had such a Back-Bench debate, so will the FSA please listen following this new development? We have the feeling—

10 pm

Motion lapsed (Standing Order No.9(3)).

Business without Debate

ESTIMATES

Motion made, and Question put forthwith (Standing Order No. 145),

That this House agrees with the Report [24 November] of the Liaison Committee.—*(Bill Wiggin.)*

Question agreed to.

COMMITTEES

Mr Speaker: With the leave of the House, we will take motions 3 to 7 together.

Ordered,

COMMUNITIES AND LOCAL GOVERNMENT

That George Freeman be discharged from the Communities and Local Government Committee and Mark Pawsey be added.

JUSTICE

That Jessica Lee and Anna Soubry be discharged from the Justice Committee and Ben Gummer and Elizabeth Truss be added.

SCOTTISH AFFAIRS

That Mark Menzies and Julian Smith be discharged from the Scottish Affairs Committee and Mike Freer and Simon Reevell be added.

TREASURY

That David Rutley be discharged from the Treasury Committee and Mr David Ruffley be added.

WORK AND PENSIONS

That Richard Graham and Sajid Javid be discharged from the Work and Pensions Committee and Andrew Bingham and Brandon Lewis be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

Dental Practitioners

Motion made, and Question proposed, That this House do now adjourn.—*(Bill Wiggin.)*

10 pm

Sir Paul Beresford (Mole Valley) (Con): I am particularly glad, Mr Speaker, that you are here this evening. I am also glad that my hon. Friend the Minister is on the Front Bench. I hope that he remains my hon. Friend by the end of the evening, but I have had some moments of doubt.

As my hon. Friend is aware, I have a declarable interest in this subject. I am a very part-time practising dentist. I am a member of the British Dental Association, the British Dental Bleaching Society and the British Academy of Cosmetic Dentistry, and I have a link with Lockton, a dental indemnity insurer.

Many of us in the real world of business had great hopes of the new Government, especially in the area of deregulation. Quangos were to be removed, or at least diminished in size, and bureaucracy was to be cut back. Indeed, many Departments have been spectacularly successful in this respect. The Minister's Department has shown an early positive approach, with plans to remove primary care trusts. Sadly, the Care Quality Commission, which was set up by the previous Government, has slipped through the net. This organisation is now displaying a cancerous bureaucratic growth that I would have expected from the combination of the previous Labour Government working hand in hand with some overbearing Labour council.

In response to early consultation, members of the dental profession, particularly through their organisations, accepted that there should be regulation of the dental profession—they ought to, because there is plenty of that already—but they did not expect the monster that is now descending upon them. All dental professionals will be required to register with, and be regulated by, the CQC by April next year. The profession is being encouraged to do this online. The commission has made some efforts in that they undertook to warn dentists, and they even gave some dentists a registration number. Many dentists did not receive the notification; I am one of those. There are two stages that dentists need to complete. First, there is the enrolment form. To my mind, this form was relatively straightforward, but attached to it were barrel-loads of instructions—page upon page of confusing do's and don'ts that were excessive and confusing. After registration is accepted, registrants need to complete the CQC permission and validation form.

Included in the second stage is a requirement for a Criminal Records Bureau check. Members of the dental profession are not required to obtain a standard CRB check but have to obtain an enhanced CRB check. This is the first example of the enormous bureaucracy and unnecessary duplication involved. It costs money and time to acquire. Forms have to be obtained, filled in and processed through one of the 100 or so Crown post offices. The Post Office is paid for the service by the dentist, as is the CRB. From time immemorial, the General Dental Council has kept a legal watchful eye over dentists in judicial matters. Any dentist who is convicted of a criminal charge is reported to the General Dental Council—that is simpler and involves only those very few members of the profession who are criminally convicted.

As a dentist and MP, I witnessed the uproar that the last Government caused among the dental profession with the change in the contract for NHS dentists. I have to warn the Minister that the CQC is causing the same uproar. The difference now is that the condemnation by individual dentists and by every organisation related to dentistry is universal. These range from the British Dental Association and all the other similar professional organisations through to, curiously, a group of solicitors called the Dental Law Partnership. The intriguing thing is that the Dental Law Partnership is a group of solicitors with dental training who specialise in suing dentists—but they are on side this time.

To quote Susie Sanderson of the British Dental Association, the CQC is currently seen as overbearing, inconsistent and duplicatory. The Health Department's impact assessment of the regulation of primary, medical and dental care providers, on which the proposed regulation of dental professionals by the CQC was based, failed to identify any sound evidence to support the proposition that the existing regulation of dental professionals or the systems in which they work in England, were ineffective. There is no reliable evidence base for the proposition that the current regulation of the dental profession by the General Dental Council, among others, fails to regulate the system of dental care, nor is there any reliable evidence that failings of the GDC place patient care at risk.

The attitude of the CQC at its explanatory road shows around the country and at meetings has been seen by those who have attended—I do not include myself—as overbearing and dictatorial. To make matters worse, its responses to questions at those meetings and on its helplines have been inconsistent. There is an apparent lack of understanding of dentistry and the dental profession. Perhaps that was most clearly emphasised at a lecture, when one of the CQC's senior members of staff failed to understand the difference between the British Dental Association and the General Dental Council.

Even more maddening is that most, if not virtually all, of the proposed outcomes or targets set by the CQC are duplicated in the existing regulations set out in the General Dental Council's "Standards for Dental Professions" of May 2005. To exemplify that, I will list some of what the CQC calls outcomes—targets by any other name. Outcome 1 covers respect for individuals, outcome 2 is about consent to care and treatment and outcome 3 relates to fees. Those outcomes duplicate the GDC's existing regulations: standards 1, 2 and 3 of "Standards for Dental Professionals" of May 2005, standards 1, 2 and 3 of "Principles of Patient Consent", and standards 1, 2 and 3 of "Principles of Patient Confidentiality". The same applies to the outcomes relating to personal care, treatment and support, safeguarding and safety, and to outcomes 7, 8, 9, 10 and 11—all are covered by the GDC. The same also applies to the three CQC outcomes on the suitability of staff quality and management.

Outcome 14 requires practitioners to demonstrate that ongoing training is taking place. However, the GDC already regulates the professional development of dentists and other dental care professionals. Continuing professional development is compulsory for registered dentists and dental care professionals to remain registered with the GDC and be permitted to practice. Dentists must complete 250 hours of CPD every five years, of which 75 must be verifiable.

Outcome 17, on complaints against dentists, was a favourite of the Labour Government. It requires that there is a complaints and comments system, that there is support for complainants and that action is taken to address complaints. The General Dental Council also requires a practice to have a complaints procedure, so private practices and NHS practices are covered. An offshoot of the GDC, the Dental Complaints Service, deals specifically with patients' complaints, whether in the national health service or private.

Outcome 10, on the safety and suitability of premises, duplicates matters under the jurisdiction of the Environment Agency, water companies and the Health and Safety Executive. The HSE has the power to enforce the requirement for practices to have a risk assessment. It also has jurisdiction over equipment and its use to ensure that it is properly maintained and serviced. I am sure that the Minister will have done some homework for tonight and will be aware that the fire prevention regulations also fall under CQC outcome 10.

The Minister of State, Department of Health (Mr Simon Burns) *indicated assent.*

Sir Paul Beresford: The Minister is nodding sagely so perhaps I will believe him. The fire prevention regulations are enforced by the local fire authority and any CQC interest in that area is duplication. To my amazement, there is even duplication in the CQC requirements, some of which are addressed many times. For example, evidence that practices have appropriate confidentiality protocols in place must be provided to satisfy outcomes 1, 2, 6 and 21.

Dental providers must comply with 28 standards, but there is no guidance on what the CQC requires as evidence of compliance. Furthermore, it is unclear who the auditors of the process will be. To give an example provided by people who have lobbied me, the NHS Partners Network and the NHS Confederation state that generally, their members have been subject to mixed messages and unclear instructions from the CQC about what to expect from it. They say that in the current financial climate, such uncertainty is particularly difficult for their members and runs the risk of adding significantly to costs without yielding safety and quality benefits. The ultimate guillotine is having one's practice shut down for failure to comply with a potential deadline of April next year, which is causing deep concern in the dental profession.

Finally, I turn to costs. The current situation is that there is no fee for CQC registration. In contrast, my fee to be paid this month to the General Dental Council is £576, the same as for the majority of dentists. However, the CQC is consulting on proposed fees, which it wishes to divide up depending on the size of a provider. The fees proposed are disproportionate, as the lowest fee is to be £1,500, for a provider with one location, such as my own small, part-time surgery, whereas £48,000 is to be charged for a provider with 101 or more locations.

One of the most glaringly ludicrous points is the extreme jump in fees from one level to another. For example, if a dental firm has 100 practices it will pay £24,000, but if it merely adds one more practice, its fees will double to £48,000. The situation has to be dealt with, and it is in the hands of the Minister and his colleagues to do so. The CQC is charging ahead blindly,

[Sir Paul Beresford]

apparently with little knowledge and with no response to concerns that have been expressed. It has finally agreed to sit down with the General Dental Council in the next week or two and discuss the potential duplications in registration costs.

I understand that there are organisations similar to the CQC in Wales and Scotland, and both appear to be working closely with the GDC without duplication. The result is that the annual cost to Welsh dentists for their organisation is not between £1,500 and £48,000, but probably in the region of £80 and certainly less than £100.

There is an opportunity for Ministers to act before it is too late, and before too much money is wasted. If necessary, the forthcoming Public Bodies Bill will enable Ministers to remove the CQC from its role of regulating dentists. I remind the Minister that all the problems that it is having with dentists, and dentists with it, are likely to be repeated, and more, in the case of general medical practitioners. They are next on the list.

I await the Minister's considered response, and I hope that he will take a step back and promise to consider the points made by me and, in particular, by the many organisations that have lobbied on the matter. It would be helpful if there were a serious meeting between Ministers, the GDC, the CQC and the BDA. It is overdue.

10.12 pm

The Minister of State, Department of Health (Mr Simon Burns): I begin by congratulating my hon. Friend the Member for Mole Valley (Sir Paul Beresford) on securing this debate on an issue that I know is of some concern to him and other dentists throughout England. He said at the beginning of his comments that he was a friend of mine and hoped that he still would be by the end of my speech. I echo that, because I, too, hope that we are still on friendly, and hopefully speaking, terms by the end of the debate.

My hon. Friend will know that the coalition Government do not believe in regulation for the sake of regulation. However, there are areas in which regulation is important for the interests of vulnerable people who are less able than others to defend their own interests. The provision of health care and adult social care services is one such area, and since 1 April 2009, the Care Quality Commission has been responsible for regulating those sectors under the Health and Social Care Act 2008.

The Government support the role of the CQC in ensuring that providers of health care and adult social care provide services that, at the very least, meet the essential levels of safety and quality that every patient and service user has a right to expect. I am sure that my hon. Friend would not argue with that, or with the enforcement powers that the CQC can use when providers fail to meet essential levels of safety and quality. He will be aware that the Government are committed to strengthening the CQC's role as an effective regulator of health and adult social care services in England.

At the moment, NHS and private health care providers are registered by CQC under the 2008 Act, as are providers of adult social care. From April next year, providers of primary dental care and private ambulance services will also be registered. From April 2012, providers of primary medical care will be brought into the registration system.

There are a number of reasons why it is right to bring primary dental care providers into registration and to require them to meet essential levels of safety and quality. First, the current regulatory systems for dentists focus on the competence of the individual. However, how organisations and systems are managed is just as important in protecting the safety of patients. CQC registration will provide the framework to ensure that the provider, as well as the individuals within it, meet essential levels of safety and quality.

Secondly, increasingly complex treatments are being provided in primary care settings. For example, it is likely that more oral surgery will be carried out in primary care in future, and the General Dental Council has seen an increase in complaints about harm caused to patients by the placing of dental implants. Those developments make it even more important to ensure that providers have adequate systems in place to protect the safety of patients. Registration with the CQC will allow potential problems to be identified and addressed before they result in harm to patients.

Sir Paul Beresford: The Minister mentioned the GDC and complaints about dental implants. There has also been an increase in poor endodontic work, all of which can be dealt with adequately by the GDC. The situation does not need a huge, monolithic organisation such as the CQC.

Mr Burns: I am very grateful to my hon. Friend for making that point. If he will bear with me, I will, at a slightly later stage in the course of my remarks, address whether working together can minimise the level of overlap so that there is no unnecessary duplication.

Thirdly, registering primary dental care providers will ensure that the same levels of safety and quality are met irrespective of where care is provided. One patient could be treated in hospital where the quality and safety of their care is regulated by the CQC, while another receives the exact same treatment elsewhere without that same guarantee. Wholly private dental providers, treating some 7 million patients, are currently subject to no formal scrutiny of the service that they provide.

Finally—I know that my hon. Friend has raised this subject in the past—registration will provide greater controls on the decontamination of used dental instruments. Guidance on decontamination is set out in "Health Technical Memorandum 01-05". Although that has no legal standing, the CQC can monitor whether providers, including those in the independent sector, meet its requirements by enforcing the cleanliness and infection control registration requirement.

It is the view not just of the Government that the registration of dentists will bring benefits; that view is shared by the dental profession. Responding to the consultation on registration of dental providers with the CQC in June 2008, the GDC said:

"We broadly welcome the establishment of the Care Quality Commission...Whilst we are responsible for the registration and regulation of the whole dental team, whether they work in the private or public sector, there has been no additional means of

regulating wholly private dental services...up until now. We believe that this role can be covered by the CQC and would further enhance patient protection".

The British Dental Association was equally supportive, saying:

"Wholly private providers are currently unregulated (beyond individual professional regulation) and we believe it is essential for this to be addressed."

Sir Paul Beresford: I actually touched on that at the beginning of my short address. The Minister has to realise that the consultation came before the CQC moved into the area of dentistry, before the BDA realised what the CQC was going to do and before the monolithic and, what I called, almost cancerous growth of this organisation.

Mr Burns: I am grateful to my hon. Friend for that intervention. As far as I know, however, the BDA was aware at the time that dentists were going to be registered under the CQC, and as I see it, the comments on the consultation process were made in the knowledge of that information.

I know there has been concern among dentists about the potential impact of registration with the CQC, and my hon. Friend made an interesting and vigorous case highlighting what he perceived to be some of the problems. However, I have some sympathy with those dentists concerned that the process of registering with the CQC will be onerous and time consuming. I can assure him, however, that for the majority of dentists—those who already provide high-quality services—there will, to my mind, be no difficulty in meeting the essential levels of safety and quality.

The experience of HTM 01-05 demonstrates this point. Before the introduction of the guidance, dentists raised concerns about the burden that complying with it would place on them. Only today, we have published the results of the dental national decontamination survey, showing that when HTM 01-05 was published in November 2009, about 70% of practices were already meeting the essential quality requirements for decontamination, with approximately a further 20% of practices very near the essential quality requirements. The remaining small minority of practices were not.

This experience will, I believe, be repeated with CQC registration. Most dental providers already give their patients a high-quality service and will find that they already meet the registration requirements. In those relatively small numbers of cases where dentists do not meet essential levels of safety and quality, registration with CQC will force them to improve. This is the purpose of regulation, and such an outcome would result in safer and better dental care for patients.

My hon. Friend has spoken about the potential for overlap in the role of the CQC and the General Dental Council in the registration of dentists, and he raised it again in his first intervention on me. I would like to address that point now. I read with interest the recent letter from a number of dentists in *The Daily Telegraph* making the same point as him. The CQC and the GDC are working closely to ensure that the roles of the two regulatory bodies are closely co-ordinated. Indeed, the two regulators have agreed and set out a memorandum of understanding that explains how they will co-ordinate their activities and share information to ensure that they do not duplicate actions and therefore create any risk of double jeopardy. It is vital that CQC registration complements the professional regulation of dentists by the GDC. The important word there is "complements".

Sir Paul Beresford: I spoke to the president of the GDC last week, and she said they are having a meeting to discuss this for the first time. So the Minister's information might have gone a little awry.

Mr Burns: I take on board what my hon. Friend says. However, the information I have been given, as I said earlier, is that the two regulators have agreed and set out a memorandum of understanding explaining how they will co-ordinate their activities and share information to ensure that they do not duplicate actions. I trust that that action is correct, I trust that they work closely together to achieve that aim, and I will certainly get back to him if—despite what I have been led to believe—that is not the case.

My hon. Friend also referred to the proposed level of registration fees for dental providers. As he is aware, the Care Quality Commission is currently consulting on its proposals for annual registration fees, which will apply to all providers, including dentists, from April next year. I would like to emphasise that they are proposals for consultation. I would certainly urge all dentists in England to make their views known to the CQC through the consultation process as soon as possible, and certainly before it ends, on 17 January. I heard what my hon. Friend said, and I have seen the consultation document. I can only repeat—and repeat quite vehemently—that it is important that all dentists take part in the consultation process and ensure that the CQC is fully aware of their views before it ends. I should also add that the CQC's final fees scheme is subject to the consent of the Secretary of State. It would obviously be wrong of me to prejudge the consultation process or what will happen at its conclusion. All I can do is advise my hon. Friend and the profession to ensure that they lobby the CQC as part of the consultation, so that it is left in no doubt about the views and concerns of dentists on the issue.

My hon. Friend also mentioned Criminal Records Bureau checks, which I know have been a particular issue for some dentists. CRB checks are important to ensure that those responsible for the delivery of services are fit to do so. In earlier registration rounds, CRB checks have revealed convictions that were not otherwise declared. Those dentists who already have a CRB disclosure countersigned by their primary care trust can use it for CQC registration. I know that there have been practical problems with getting the required CRB checks carried out, and I understand the frustration that this has caused for some dentists. As a result, the CQC has increased to 100 the number of post offices that can process CRB disclosures on its behalf. That will go some way towards helping to deal with some of the practical difficulties experienced in getting a CRB check. The CQC is also exploring with Post Office Ltd the possibility of extending the service to the entire post office network.

Although there is a degree of anxiety among dentists about CQC registration, I hope—although I am not convinced—that I have reassured my hon. Friend that the majority of dentists, who already provide good services, have no need to fear CQC regulation. For the

[Mr Simon Burns]

small number who do not provide a safe service, registration will provide an effective mechanism to bring about improvements for patients. Indeed, that is the very purpose of regulation.

In spite of the concerns, I am pleased to have been told by the CQC that the registration of primary dental care providers is so far proceeding smoothly. More than 7,000 dentists, including nearly 1,600 who operate solely in the private sector, have enrolled in the CQC's registration process. The CQC has now invited those primary dental care providers to submit applications. I understand that the first completed application was returned to the CQC within three hours and that more than 400 applications for registration had been returned by the end of last week. With what I believe has been a good start, I am hopeful that the task of registering dental providers with the CQC will be completed on schedule by 1 April 2011, and that patients will have the assurance that whichever dental practice they use, whether NHS or private, they will receive care that meets essential levels of safety and quality.

Question put and agreed to.

10.29 pm

House adjourned.

House of Commons

Tuesday 30 November 2010

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

Coalition Government

1. **Steve McCabe** (Birmingham, Selly Oak) (Lab): What recent assessment he has made of the effectiveness of coalition Government under the UK's constitutional arrangements. [27056]

The Deputy Prime Minister (Mr Nick Clegg): The coalition Government are sorting out the mess they inherited from the previous—*[Interruption.]* This always gets Opposition Members going from the beginning. The coalition Government are sorting out the mess they inherited from the previous Administration, including a woefully unreformed political system. That is why we are giving power back to Parliament by establishing five-year fixed-term Parliaments, why we are offering the public a choice, for the first time, on using a different and fairer electoral system, and why we will create fairer, more equal-sized constituencies in time for the next election.

Mr Speaker: I call Harriet Harman.

Ms Harriet Harman (Camberwell and Peckham) (Lab) *rose—[Interruption.]*

Mr Speaker: I beg the right hon. and learned Lady's pardon, and I also beg Mr McCabe's pardon as we have not yet heard from him and we want to do so. I call Mr Steve McCabe.

Steve McCabe: I feel so let down, Mr Speaker.

In her paper comparing the coalition to a difficult marriage, Miss van der Laan advises Back Benchers that they should

"never take advice from those who have secured Government jobs because their self-interest clouds their judgment."

Is she right?

The Deputy Prime Minister: I think the hon. Gentleman asked, "Is he right?", but Lousewies van der Laan is a lady; I think we should get such facts right. As I have said, two parties have come together to repair the damage left by one; it is as simple as that.

Miss Anne McIntosh (Thirsk and Malton) (Con): Does my right hon. Friend agree that the coalition Government are breaking new ground along European lines? Might we send a message to the rest of Europe that actually we do believe in coalition Government in this country?

The Deputy Prime Minister: I certainly agree that in other democracies in Europe and elsewhere the idea of two parties compromising with each other in the national interest is considered to be a good thing. Only backward-looking Opposition Members regard every compromise as a betrayal.

Ms Harriet Harman (Camberwell and Peckham) (Lab): Speaking of which, is not the effectiveness of coalition Government a question of substance? On the substantive coalition policy of tuition fees, the House will want to know how the right hon. Gentleman, as Deputy Prime Minister, is going to vote. Is he going to vote for, is he going to abstain, or is he going to vote against it, as we are?

The Deputy Prime Minister: I am delighted that the right hon. and learned Lady is finally referring to substance. For weeks now Opposition Members have refused to tell the House, or the students demonstrating outside, what their policy is. Is it a blank sheet of paper? Is it a graduate tax or not? The fact is that the proposal we are putting forward—we have a plan; they have a blank sheet of paper—is fairer for students than the system we inherited from the Labour Government.

Ms Harman: We are clear: we are going to vote against the trebling of tuition fees, but the right hon. Gentleman will not tell us what he is going to do. This is about what he said he stood for when he was asking for people's votes. He said that as a matter of principle he wanted no tuition fees and that he would vote against any increase. People will judge him on this. If he votes against, that is the only principled position; if he abstains, it is a cop-out; if he votes for, it is a sell-out. Which is it?

The Deputy Prime Minister: Since the right hon. and learned Lady does not want to discuss her policy or policy in general, let me illustrate what this means in real terms. A care worker who has graduated from university, starting on £21,000 and earning more over time—*[Interruption.]* No, what people are interested in is what is going to happen to them in practice. Under our proposals, they will pay back £7 a month on average, compared with £81 a month on average under the scheme we have inherited from Labour, and £36 a month on average under the system of graduate taxes her right hon. Friend the leader of the Labour party wants to advocate. I hope that we will now be able to have a reasonable and reasoned discussion about what our proposal actually means for graduates in this country in future.

Electoral Register

2. **Andrew Griffiths** (Burton) (Con): What recent assessment he has made of the accuracy of the electoral register. [27057]

4. **Andrew Bridgen** (North West Leicestershire) (Con): What recent assessment he has made of the accuracy of the electoral register. [27059]

5. **Nick de Bois** (Enfield North) (Con): What recent assessment he has made of the accuracy of the electoral register. [27060]

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): The Government have not made such an assessment, but the Electoral Commission found in its March 2010 report "The completeness and accuracy of electoral registers in Great Britain" that

"it is likely that the accuracy of the registers remains broadly similar to past decades".

It is clear, however, that more can be done to support accuracy. To that end, I have announced that the Government will speed up the implementation of individual voter registration from 2014, which will ensure that only those entitled to vote get on the register, bringing greater protection against electoral fraud.

Andrew Griffiths: I thank the Minister for that answer. We hear a great deal from Labour Members about the missing 3.5 million people. Can he explain what was done over the past 13 years to help them? What are our Government going to do to ensure that people entitled to vote can do so?

Mr Harper: I am grateful to my hon. Friend for that, and I congratulate him on being elected to the Select Committee on Political and Constitutional Reform, where he can pursue his interest in these matters. He will know that when in government the Labour party did, to be fair, try a number of things, but the things it tried were not successful. We are going to introduce individual electoral registration and we are going to trial data-matching next year, so that we can see whether there are more effective ways of allowing electoral administrators to get people on the register when they are entitled to be on it.

Andrew Bridgen: Does the Minister agree that some individuals deliberately keep themselves off the register because they are partaking in or are aiding and abetting benefit fraud? How does he think we should address that important issue?

Mr Harper: One of the things that we will do on individual registration is ensure that people will have to register with a signature and their date of birth and national insurance number details. Those will be checked against Department for Work and Pensions records to ensure that the voting record database is accurate. One of the things that we will be doing when we trial data-matching next year is looking to see what other benefits can be obtained from those public sector databases.

Nick de Bois: What plans does the Minister have to require voters to produce proof of their identity at polling stations?

Mr Harper: The Government do not have any current plans to do that, but we keep this area under review. In January, the Electoral Commission and the Association of Chief Police Officers will bring out their report on this year's general election. We will look at their conclusions to see whether there is evidence of fraud taking place and whether we need to take any further steps to deal with it.

Fiona O'Donnell (East Lothian) (Lab): My question was for the Deputy Prime Minister. Am I permitted to ask it?

Mr Speaker: You have to ask the question of this Minister.

Fiona O'Donnell: Okay then. There was a failure to answer the question put by the deputy Leader of the Opposition. No doubt the—

Mr Speaker: Order. This question must be about the electoral register: accuracy thereof.

Mr William Bain (Glasgow North East) (Lab): Is the Minister aware of the great efforts made this year by Glasgow city council to increase voter registration? For example, it has worked with minority groups and carried out targeted canvassing. All that work is going to show a big increase in the level of electoral registration tomorrow. Why are his Government not joining good local authorities such as that in Glasgow to get the 3.5 million people not on the electoral register on to the voters roll as soon as possible? Why are they instead rushing to have a boundary review that benefits the coalition?

Mr Harper: I congratulate Glasgow city council, if what the hon. Gentleman says is accurate, because the work it has been doing is excellent. He will know that I wrote to the chief executive of every council in the country suggesting that they work with the Government on our data-matching pilots, to which I referred in a previous answer. We want to examine what steps can be taken to enable local government to look at those public sector databases in order to get more people who are eligible to vote on to the electoral register, as Glasgow city council has done.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): What does the Minister think is worse: an inaccurate electoral register or gerrymandered constituencies?

Mr Harper: I have a great deal of respect for the hon. Lady, but that question really was not worthy of her. The completeness of the electoral register is as important as making sure it is accurate. It is perfectly reasonable to move towards fairer and more equal-sized constituencies, as this House has made a very clear decision to do, and their lordships will start debating the matter this very afternoon.

Mr Andrew Love (Edmonton) (Lab/Co-op): According to research, the level of registration will fall on the introduction of individual registration, and we need only look at the situation that occurred in Northern Ireland to back that up. This was recognised in the Political Parties and Elections Act 2009. Will the hon. Gentleman take into account the advice given by the Electoral Commission? If it decides that things are being done too quickly to improve the register, will he listen to it?

Mr Harper: I am pleased to say that I can do better than that. We have already considered the experience in Northern Ireland and the hon. Gentleman will know from my statement to the House that that is exactly why we will not remove anyone from the electoral register before the 2015 general election just because they have failed to register individually. We will leave them on the register to give them an extra chance and to avoid the situation that occurred in Northern Ireland, where there was a sudden drop in the number of voters on the register. I hope that that is helpful.

Parliament Acts (Lords Reform)

3. **Mr Gary Streeter** (South West Devon) (Con): Whether he plans to bring forward legislative proposals to amend the provisions of the Parliament Acts 1911 and 1949 as part of his proposals for House of Lords reform. [27058]

The Deputy Prime Minister: I am chairing a cross-party committee to produce a draft Bill on House of Lords reform early next year. The Government believe that the basic relationship between the two Houses, as set out in the Parliament Acts 1911 and 1949, should continue when the House of Lords is reformed.

Mr Streeter: I am grateful to the Deputy Prime Minister for that response, but is it not in the nature of elected representatives to seek to acquire more power unto themselves, as has happened in Wales and Scotland and could well happen down the end of the corridor? Will that not bring an elected upper House into direct conflict with the provisions of the Parliament Acts? What does he propose to do about it if that should happen?

The Deputy Prime Minister: I certainly agree that it would be self-defeating if a reformed House of Lords tried in any way to mimic the House of Commons. Most bicameral systems around the world manage a clear division of labour between one Chamber and another. That is why the devil is in the detail—we must consider how long the terms are for any elected Members of a reformed House of Lords and in what manner they are elected in order to create a clear division of labour between the two Chambers.

Chris Bryant (Rhondda) (Lab): Will the right hon. Gentleman's proposals on Lords reform refer in any shape or form to the historic convention on collective responsibility? I note that the new ministerial code of conduct refers to collective responsibility in exactly the same words as the old ministerial code of conduct, namely by saying that all Ministers must adopt the same position in public, but now contains the extraordinary new phrase,

"save where it is expressly set aside".

There is an extraordinary rumour that the Deputy Prime Minister is thinking of not voting with the Government later today. Surely that cannot be right. Surely he is man enough to stand up and sign up to what he voted for in the general election—or at least to sign up to what he voted for in the coalition agreement. Otherwise, nobody will be able to trust a word he says again.

The Deputy Prime Minister: The hon. Gentleman always gets terrifically excitable, but none the less asks a question that is wholly irrelevant to the subject we are dealing with. That was absolutely nothing to do with House of Lords reform. I think—he was trying to be so clever that it is difficult to tell—he was referring to the coalition agreement and what it says about higher education policy, which is very clear.

Topical Questions

T1. [27064] **John Mann** (Bassetlaw) (Lab): If he will make a statement on his ministerial responsibilities.

The Deputy Prime Minister: As Deputy Prime Minister, I support the Prime Minister on the full range of Government policy and initiatives. Within Government, I take direct responsibility for the Government's programme of political and constitutional reform.

John Mann: A man tours the country telling people that if they vote for him he will abolish tuition fees. When he has the power, he increases tuition fees. What is the best description of the integrity of such a man?

The Deputy Prime Minister: This must be the same integrity that led the Labour party to introduce fees having said that it would not in 1997 and to introduce top-up fees when it said that it would not in its 2001 manifesto. Labour commissioned the Browne review, which Labour Members are now busily trashing. The facts are—*[Interruption.]* I know that the hon. Member for Bassetlaw (John Mann) and his colleagues do not want to hear the facts of our policy, but the facts are that our proposal will remove any up-front fees whatsoever, including for the 40% of part-time students at our universities. The fact is that all graduates will pay less per month than they do under the scheme we inherited from Labour. The fact is that at least one in four of the lowest paid graduates will pay less in total than they do now. That is a progressive package; Labour's was not.

T2. [27065] **Jason McCartney** (Colne Valley) (Con): Does the Deputy Prime Minister feel that the integrity of voter registration would be aided if electoral registration officers could make inquiries about the validity of suspect applications?

The Deputy Prime Minister: Of course they have the power to do that now. Under the individual electoral registration scheme that we are seeking to introduce, we will ask voters to provide three proofs of identity and residence in order to verify the validity of their claims.

Sadiq Khan (Tooting) (Lab): It is good to see the Deputy Prime Minister at the Dispatch Box. I hope that before the end of these questions he might actually answer one. I am trying to get to the bottom of his and the Government's views on prisoners and voting. In an interview that he gave to *The Guardian*, when he had another job, he said he believed "the bulk of prisoners" should be given the vote. Is that his personal view or the Government's view? Can he reassure those of us who are concerned about violent offenders and those who have committed sexual offences being given the right to vote that he can today rule that out?

The Deputy Prime Minister: As the right hon. Gentleman well knows, the Government inherited a situation in which a 2005 court ruling had shown our current arrangements to be illegal and to fall foul of court rulings. The previous Government looked at the options for moving into line with the court rulings and there have been a succession of court rulings since then, most recently last week. We will provide our final response on how to make sure that our practices are in line with those rulings in the very near future.

T3. [27066] **Simon Kirby** (Brighton, Kemptown) (Con): What progress have the Government made on ensuring that the banks meet their obligation to pay their fair share of taxes?

The Deputy Prime Minister: A year ago, the previous Government announced that they would require— *[Interruption.]* It is worth listening to this as a contrast between inaction and action. They announced that they would require the banks to sign up to the code of practice on taxation. Last month, only four of the top 15 banks had signed up, which was in our view completely unacceptable. We want the banks to play not just by the letter of tax law but by its spirit. That is why the Chancellor instructed Her Majesty's Revenue and Customs in October to work with the banking sector to ensure that the remaining banks implemented the code by the end of this month, and I can today confirm that all the top 15 banks have now signed the code. That is an extra 11 banks in one month versus the four that signed previously. *[Interruption.]*

Mr Speaker: Order. First, I want to hear the answers. Secondly, the greater the noise, the longer the delay and the fewer Back Benchers will have a chance to be called. That would be a great pity.

T9. [27072] **John Robertson** (Glasgow North West) (Lab): If the right hon. Gentleman had his time again, would he be for or against tuition fees?

The Deputy Prime Minister: I would be for a system that provided a fair settlement for students. As I said before, unlike the system that we inherited from the hon. Gentleman's party, ours will remove all up-front fees paid by students and will only ask graduates— *[Interruption.]* I know that Opposition Members do not want to hear this because they do not want to talk about policy as they have a blank sheet for policy. We have a plan and they have a blank sheet—that speaks volumes.

T4. [27067] **Mr Dominic Raab** (Esher and Walton) (Con): I welcome the Deputy Prime Minister's consultation on the freedom Bill. Is he aware that terrorism convictions have plummeted by 91% in the past four years, and will he continue to support the repeal of control orders and the ban on intercept evidence so that we can prosecute more terrorists and defend our freedoms?

The Deputy Prime Minister: I strongly agree with the assumption and the assertion that the previous Government got the balance wrong between liberty and security. Indeed, I think that is now acknowledged even by that great liberal, the current Labour spokesperson on Home Affairs. That is why we are conducting a review of how the anti-terrorism powers introduced by the previous Government are operating so that we can tilt the balance definitively in favour of liberty.

Mr David Winnick (Walsall North) (Lab): If the Deputy Prime Minister is so confident on tuition fees, why does he not go to speak to the students who are demonstrating outside now? They would be very interested in his broken election promises.

The Deputy Prime Minister: I heard the hon. Gentleman's leader on the radio the other day saying that he was tempted to speak to the students. When asked why he did not, he said that he had something in his diary—it must have been staring at a blank sheet, which takes an enormous amount of time, does it not?

T5. [27068] **Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): Could the Deputy Prime Minister update us on his plans for introducing a register of lobbyists? Does he expect the new chairman of Global Counsel, Lord Mandelson, to be on that register?

The Deputy Prime Minister: It must be a measure of Lord Mandelson's confidence in the leadership of the Labour party that he has decided to set up on his own to lobby the Government directly himself. We are indeed moving ahead next year to set up a statutory register of lobbyists.

John Cryer (Leyton and Wanstead) (Lab): A few months ago, the Deputy Prime Minister said, in a personal statement, that he thought the Iraq war was illegal. On that basis, for the benefit of the House could he set out what he sees as the limits of collective responsibility?

The Deputy Prime Minister: As I said before, collective responsibility operates, but this is also a coalition Government, whereby two parties with different views, different traditions and different perspectives have come together to govern in the national interest. That is why we are keen, on both sides of the coalition Government, to stick scrupulously to the open, public coalition agreement that we entered into with each other.

T6. [27069] **Priti Patel** (Witham) (Con): Given that the Independent Parliamentary Standards Authority is one of the Deputy Prime Minister's policy responsibilities, what action will he take to ensure that IPSA stops spending hundreds of thousands of taxpayers' pounds on its own public relations and its ever-expanding bureaucracy?

The Deputy Prime Minister: I of course acknowledge that there is a great deal of unease on both sides of the House about how IPSA is operating in practice, which is why it is right that its working practices should be reviewed and, where possible, strengthened and improved. However, the fundamental principle that the administration of our expenses, pay and so on is independent remains exactly right in the wake of the terrible damage done to the House by the expenses scandals in the last Parliament.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): On Lords reform, does the Deputy Prime Minister think it right that those who give large donations to political parties find their way to the House of Lords?

The Deputy Prime Minister: I think we need reform of the funding arrangements for political parties, and we are keen to work on a cross-party basis with all parties in the House to restore public confidence in the way political parties are funded, while at the same time proceeding with reform of the other place, as I described earlier, by publishing a Bill on House of Lords reform early in the new year.

T7. [27070] **Greg Hands** (Chelsea and Fulham) (Con): The Deputy Prime Minister will recall that last month I asked him about electoral registration fraud in Tower Hamlets. Will he agree to have a look at postal voter fraud, too? In Halifax in May, an astonishing 763 postal votes failed to match voter registration records. Does he agree that evidence is building of systematic electoral fraud in this country, which needs to be investigated?

The Deputy Prime Minister: As the hon. Gentleman knows, electoral registration officers already have the power to look into allegations of abuse, which are in some cases, as he has highlighted, very serious indeed, and where necessary and justified, refer them to the police. That is exactly what I would expect should happen.

Chris Ruane (Vale of Clwyd) (Lab): What is the big society?

The Deputy Prime Minister: I can tell the House what it is above and beyond everything else. It is a contrast with the big state. That was the governing ethos of the previous Government: every problem, every dilemma and every question, it was felt by the previous Government, should be sorted out by officials in Whitehall and politicians in Westminster. We believe—*[Interruption.]*

Mr Speaker: Order. The hon. Gentleman asked the Deputy Prime Minister a question. Members must have the courtesy to listen to the reply.

The Deputy Prime Minister: Mr Speaker, they are enjoying asking their questions so much that they are not bothering to listen to the answer.

We believe in empowering individuals, communities and families to be able to do what they think is right to improve their lives in the way they think is best.

T8. [27071] **Mr Aidan Burley** (Cannock Chase) (Con): On 26 October, the Deputy Prime Minister said that it was the Government's

"intention to set up a commission on the long-standing knotty problem of the West Lothian question by the end of the year."—[*Official Report*, 26 October 2010; Vol. 517, c. 154.]

Today—St Andrew's day—can the Deputy Prime Minister update the House on the establishment of the commission, its make-up and its precise terms of reference?

The Deputy Prime Minister: As my hon. Friend knows, reference is made in the coalition agreement to the issue and to the commission that we want to set up to look into it. I am glad to confirm that the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), who is the Minister with responsibility for constitutional affairs, will be making a detailed announcement on the establishment of that commission before Christmas.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): To prevent the voting problems that occurred in Sheffield and other places, the Electoral Commission recommended changes to administration, which I know the Deputy Prime Minister supports and which I support. The commission also recommended a change in the law. The right hon. Gentleman has stated that he does not believe the law should be changed. Can he tell us on what basis he made that decision and who he has consulted on it?

The Deputy Prime Minister: The hon. Lady has raised this matter before and it is indeed a serious issue. It is a question of trying to match the solution to the problem. Much of the evidence appears to suggest that the real problems were to do with the organisation by certain returning officers and the resources allocated to specific polling stations, not least the one that she and I know well in Ranmoor in Sheffield, where there were particularly long queues. I am open-minded about this but, in my view, simply changing the law without changing the resources provided to those polling stations will not improve the performance of the individual polling stations.

T10. [27073] **Nicky Morgan** (Loughborough) (Con): What reassurances can the Deputy Prime Minister give to Shepshed town council and many other constituents that they will have the opportunity to give their views on proposed new constituency boundaries before those are finalised?

The Deputy Prime Minister: As my hon. Friend may know, we are tripling the period during which members of the public can provide written submissions as the boundary review is proceeding—up to 12 weeks. If the Boundary Commission comes up with a revised proposal, that trigger starts again and there is a further 12-week period, so in theory there is a six-month period during which members of the public can make their views known. That is a much better system than the party political rigged appeals that prevailed under the Opposition.

Fiona Mactaggart (Slough) (Lab): The Deputy Prime Minister has said that electoral registration officers and others can bring to book and to criminal court those who are charged with electoral fraud. Is he aware that a major barrier to doing that is the cost, and that the Labour party has just had to pay a £200,000 bill for the work it did to expose Conservative council candidates who fraudulently stole a seat in Slough two years ago?

The Deputy Prime Minister: I am afraid I cannot refer to the specific case. The hon. Lady makes her point of principle about the costs, which are important in themselves. Without knowing the details, I cannot comment on the costs of that case, but the ability of electoral registration officers to refer issues to the police and to allow the police and prosecuting authorities to take matters forward must always be protected.

ATTORNEY-GENERAL

The Attorney-General was asked—

Domestic Violence

1. **Ian Lavery** (Wansbeck) (Lab): What plans the Crown Prosecution Service has to increase the effectiveness of prosecution policy in respect of domestic violence. [27076]

The Attorney-General (Mr Dominic Grieve): The Crown Prosecution Service has an effective domestic violence prosecution policy, with a 29% increase in the number of prosecutions over the past four years and successful outcomes rising from 65% to 72%. In saying that, I recognise the work put in by my predecessors in this office in trying to raise the profile of that appalling crime. The CPS keeps its policy under review and in September 2010 it published guidance on prosecuting stalking and harassment. In January 2011 the CPS will introduce a new local assurance system to support the conduct of domestic violence prosecutions.

Ian Lavery: Given the 24% reduction in the Law Officers' Department's expenditure, will the Attorney-General confirm that he believes that the CPS has the resources that it requires to deliver effectively the violence against women strategy developed by the Labour Government?

The Attorney-General: Yes, I can. There is no intention of diminishing that strategy in any way and it will remain a major priority of the CPS.

Anna Soubry (Broxtowe) (Con): Women's refuges provide not only a safe place for women and their children, but a valuable service in the prosecution of men who have committed offences of violence against women. Will the Attorney-General do all he can to ensure that local authorities do not cut funding for women's refuges, given the service that they provide?

The Attorney-General: I certainly share my hon. Friend's concerns that that area should remain a priority for local authorities. In each case, they will have to adjust their expenditure to the financial constraints upon them, and I am sure that one of the most important things will be for people, such as my hon. Friend and other Members who are aware of the good work in that area, to make those representations quite clear to their local authorities as well as the importance that they attach to them.

Witness Care Units

2. **Mrs Mary Glindon** (North Tyneside) (Lab): What assessment he has made of the effects of the recent funding settlement for the Crown Prosecution Service on the provision of funding to witness care units. [27077]

The Solicitor-General (Mr Edward Garnier): None specifically, but I have no doubt that the joint police and Crown Prosecution Service witness care units provide important support to victims and witnesses. In particular, such units have increased the number of effective trials by securing witnesses' attendance at court and improved the overall satisfaction of victims and witnesses with regard to the criminal justice system.

The CPS contributes £5.5 million per year and the police £6.5 million per year to funding those units, and the CPS provides a witness management system for use by police and CPS staff in WCUs. The CPS is committed to high-quality support for victims and witnesses, recognising its benefits to the criminal justice system.

Mrs Glindon: Northumbria witness care scheme has already streamlined its operations without compromising its service to witnesses and victims, and for that it should be commended. Can the Solicitor-General therefore confirm that that successful and efficient service will not be put in jeopardy as a result of the cuts to CPS funding?

The Solicitor-General: Yes.

Gaza

3. **Mr Jim Cunningham** (Coventry South) (Lab): Whether he has had recent discussions with the Secretary of State for Foreign and Commonwealth Affairs on the application of international law in respect of Gaza. [27078]

The Attorney-General: I have had no discussions with my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs on that matter.

Mr Cunningham: What is the position under international law when Israel intercepts ships carrying aid for Gaza? Can the Attorney-General tell me what the legal position is there?

The Attorney-General: The Foreign Secretary deplored the loss of life during the interception of the Gaza flotilla. He also stressed the need to establish the facts about the incident, without which, if I may say so to the hon. Gentleman, it is impossible to ascertain what laws if any might have been breached and, especially, what was done during the operation to prevent deaths and injuries. My right hon. Friend therefore welcomed the United Nations Secretary-General's establishment of a panel of inquiry into the interception and both Israel's and Turkey's commitment to participate. It is also vital that existing national investigations proceed swiftly, transparently and rigorously to ensure accountability.

Simon Hughes (Bermondsey and Old Southwark) (LD): What discussions and activities does the Attorney-General engage in with either Foreign Office Ministers here or Law Officers in other countries to ensure that countries such as Israel comply with their international law obligations and with United Nations decisions?

The Attorney-General: I certainly consult, and discuss matters with, my right hon. Friend the Foreign Secretary as and when problems arise, and the hon. Gentleman will bear in mind also that my right hon. Friend has legal advisers in his Department who can help him with his work. The United Kingdom takes very seriously international law obligations and the maintenance of international standards of behaviour, and I can therefore reassure the hon. Gentleman that it is a matter with which the Government will continue to engage.

Victim Support (CSR)

4. **Paul Goggins** (Wythenshawe and Sale East) (Lab): What assessment the Crown Prosecution Service has made of the likely effect on prosecution rates of the comprehensive spending review settlement for victim support services. [27079]

The Solicitor-General: The Crown Prosecution Service's assessment is that there should be no impact on prosecution rates. May I take this opportunity to thank the right hon. Gentleman for his support for Trafford victim support?

Paul Goggins: I am grateful to the Solicitor-General for his answer, and I am sure he takes very seriously his obligations towards the victims of crime, whose evidence is often crucial. Given the cuts to his Department and to police budgets, however, can he confirm to the House that he will uphold the standards set out in the victims code, and in particular that enhanced services will still be available to intimidated and vulnerable victims and witnesses?

The Solicitor-General: As the right hon. Gentleman knows from his ministerial experience in England and Northern Ireland, and as I am sure he will agree, it is vital that victims are enabled to get their evidence into court. Special measures to protect vulnerable witnesses and intermediaries and other measures are therefore available, and from the work that his Government did and this Government will continue we intend to ensure that victims get their evidence into court—because without the evidence there are no prosecutions.

Rape

5. **Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): When he next expects to meet the Director of Public Prosecutions to discuss prosecution policy in respect of rape. [27080]

The Attorney-General: I have regular discussions with the Director of Public Prosecutions on a range of criminal matters. Rape is one of the most serious and damaging of all crimes. I support the work undertaken by the Crown Prosecution Service, with other agencies, to improve the way in which prosecutions are conducted and victims are treated in such cases.

Tom Blenkinsop: What impact does the Attorney-General believe that cuts in police numbers will have on the number of rape cases being investigated and the number of cases being referred to the CPS for prosecution?

The Attorney-General: It is not intended that it should have any impact on those figures whatsoever.

Mr Robert Buckland (South Swindon) (Con): Does my right hon. and learned Friend agree that sometimes we lose focus by discussing the process of decision making about prosecution instead of focusing on deficiencies in the investigation of the crime? Particularly with reference to rape, that is a real problem that police forces are having to cope with.

The Attorney-General: It is absolutely right that the investigation of rape is one of the most difficult tasks for the police. That is for a whole range of reasons, including the difficulties of getting victims to come forward, the problems that the police face in having to look after them properly when they do, and the difficulties of ensuring that they will come to court to give evidence. There are also the problems that have been experienced with victims retracting their evidence. The Crown Prosecution Service, the police and I are very much alive to all those factors, and we will continue to do all we can to improve the way in which this type of offence is handled.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The Law Officers will be aware of the case of Sarah, as covered in recent weeks by *The Guardian* newspaper. Sarah—not her real name—has recently been released on appeal from Styal prison having served 18 days of an eight-month sentence for falsely retracting rape allegations against her husband following alleged intimidation by him and his family. The case raises a number of very serious questions about approaches within the criminal justice system to supporting victims of rape and domestic violence, and there is a risk that it will deter victims from coming forward to report these terrible crimes. Will the Attorney-General meet the Director of Public Prosecutions and me to consider the CPS's approach to prosecuting women in such cases and to discuss ways that we can better support victims and witnesses of crime?

The Attorney-General: First, let me reassure the hon. Lady that the comments made by the Lord Chief Justice in the course of that appeal against sentence are being considered carefully by me and, I have no doubt, by the Director of Public Prosecutions, and I trust that lessons may be learned from the way in which that case was conducted. However, it is also worth bearing in mind, as I am sure that she would acknowledge, that individuals who bring allegations and then retract them pose particular problems within the criminal justice system, and those cannot necessarily just be ignored. The hon. Lady knows that if she wishes to have a meeting with me, I will always make myself available, and if she wishes to meet the Director of Public Prosecutions, the convention has always been that she should have access to him as well.

Privacy Law (Internet)

6. **Robert Halfon** (Harlow) (Con): What recent discussions he has had with ministerial colleagues on the adequacy of privacy law in respect of the internet; and if he will make a statement. [27081]

The Attorney-General: I have not had any such discussions.

Robert Halfon: Given the ongoing problems with personal and private data protection, does my right hon. and learned Friend agree that because of the inadequacies of existing legislation, he should recommend to the Government the establishment of an internet Bill of rights so that individuals' ordinary rights are protected?

The Attorney-General: My hon. Friend raises an interesting possibility. At the moment, there is a framework of law which allows wrongful interference with internet privacy to be prosecuted. He will be aware that in July there was a call for evidence by the Government in order to look at this. In 2011, a new European Union protection framework is coming out which will also provide an opportunity to revisit this. Moreover, the Department for Business, Innovation and Skills is looking at the e-privacy directive, which will have to be implemented. There is no lack of consideration of this issue, and if my hon. Friend would like to provide input into that process, it would be gratefully received.

Human Trafficking

7. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): If he will review the effectiveness of prosecution policy in human trafficking cases. [27082]

The Solicitor-General: All areas of prosecution policy are kept constantly under review. That said, the Crown Prosecution Service has comprehensive guidance for prosecutors to ensure that decisions in human trafficking cases are taken in line with the principles in the code for Crown prosecutors, taking account of the particular factors that are relevant in human trafficking cases.

Chi Onwurah: In the short time that I have been a Member of Parliament, I have already been approached by a number of women—girls, really—in my constituency who have been trafficked. Not one of them had seen a successful prosecution for their abusers in this country. Will the Attorney-General explain why his Government do not sign the EU directive so that we can do all that we can to ensure that those responsible for this trade are brought to justice?

The Solicitor-General: I will be corrected if I am wrong, but I rather think that we have signed that directive. The Government take issues relating to human trafficking extremely seriously. Indeed, I appeared in the Court of Appeal only the other day on an application to refer a sentence on the grounds of undue leniency and I await the reserved judgment.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): Earlier this year, the Trafficking Awareness Raising Alliance in Glasgow highlighted evidence that showed an increase in human trafficking during large sporting events. Is the Solicitor-General concerned that the Olympic games in London and the Commonwealth games in Glasgow will increase the threat of human trafficking in the UK? If so, does he agree that signing up to the proposed EU directive is important in the run-up to those events?

The Solicitor-General: I refer the hon. Lady to the answer that I gave to the hon. Member for Newcastle upon Tyne Central (Chi Onwurah). As a matter of general principle, any large event, sporting or otherwise, in this country—the hon. Member for West Dunbartonshire (Gemma Doyle) will appreciate that Scotland is a separate jurisdiction in such matters—that may lead to human trafficking or an increase in human trafficking commands our attention. We will bear down on it as best we can. It is often difficult for the victims of trafficking to have the courage or ability to give evidence, but it is essential that we encourage them to do so and provide them with the utmost protection when they attempt to do so.

Business Plans

8. **Andrew Gwynne** (Denton and Reddish) (Lab): What progress has been made in his consideration of publication of internal business plans of the Law Officers' Department. [27083]

The Attorney-General: As has been outlined in the House, departmental business plans, as launched on Monday 8 November 2010 are designed to provide key milestones for the fundamental structural reforms being undertaken in a Department, as set out in the coalition programme for government. Where there are currently no plans to undertake major structural reforms, such as for the Law Officers' departments, no formal requirement has been made to create a business plan. Nevertheless, I am keen that the Law Officers' departments are transparent in their activities and that they present information about their priorities and performance in a manner that is understandable to the public. The Treasury Solicitor, Her Majesty's Crown Prosecution Service inspectorate and the National Fraud Authority have published business plans for the current year on their websites. The Crown Prosecution Service, the Serious Fraud Office and my office have internal business plans and consideration is being given to the most appropriate form of publication.

Andrew Gwynne: I am grateful to the Attorney-General for that answer, but given that the Law Officers' Department is in receipt of substantial amounts of public money, why should it not be subject to the same level of transparency as every other Department and have its business plans published on the No. 10 transparency website?

The Attorney-General: I think that the hon. Gentleman is conflating two issues. If he is concerned about transparency in expenditure, he can obtain such information without difficulty. However, I am prepared to consider publishing it in a new form. The business plan of my Department—that is those officials who work for me—has, in a sense, already been implemented. The Department's number of employees has reduced from 60 when the Government came to office to 42 today. It has therefore implemented its savings and streamlined its operations. On the other departments that I superintend, I think that the hon. Gentleman will be able to see their direction of travel on their websites. We will see what we can do to ensure that that is set out with greater clarity.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Alternative Vote Referendum

1. **George Eustice** (Camborne and Redruth) (Con): What discussions the Speaker's Committee on the Electoral Commission has had with the Electoral Commission on its monitoring of the conduct of the forthcoming referendum on the alternative vote. [27046]

Mr Gary Streeter (South West Devon): The Speaker's Committee has had no such discussions. However, under section 5 of the Political Parties, Elections and Referendums Act 2000, the Electoral Commission must

"prepare and publish...a report on the administration of"

any UK-wide referendum. The findings of its report will be based on evidence collected from a variety of sources, including an analysis of referendum data, feedback from electoral administrators, designated organisations and permitted participants, and public opinion research.

George Eustice: One area where the Electoral Commission is a statutory consultee is the allocation of referendum campaign broadcasts to the designated yes and no campaigns. In a debate such as that on the alternative vote system, about which there are currently very low levels of public understanding, public engagement could be encouraged and increased by having a higher frequency of much shorter referendum broadcasts. What steps is my hon. Friend taking to ensure that the Electoral Commission takes its responsibilities seriously and moves to modernise our system of party broadcasts?

Mr Streeter: Under current law, the BBC and other broadcast organisations must have regard to the commission's views when deciding their policy and rules about any referendum campaign broadcasts. Discussions have already taken place, and the Electoral Commission supports the BBC's proposal to allocate broadcasts on the referendum only to those organisations designated by the commission, which will ensure a fair balance between the yes and no campaigns.

Local Government Boundaries

2. **Fiona Mactaggart** (Slough) (Lab): What discussions the Speaker's Committee on the Electoral Commission has had with the Local Government Boundary Commission for England on the likely effects on its future work programme of implementation of the provisions of the Parliamentary Voting and Constituencies Bill. [27047]

Mr Streeter: The Speaker's Committee and the Local Government Boundary Commission for England have held no such discussions. The LGBCE advises me that parliamentary constituency boundaries are not a statutory or material consideration in its review work.

Fiona Mactaggart: But is the hon. Gentleman not worried, as I am, about the huge variation in ward boundaries in the most recent LGBCE assessments? In the last two, there has been up to a 30% difference between wards in Stoke and Cheshire in the number of voters per ward. Will that not make it much harder to ensure that wards will not be split in the new constituencies envisaged in the Bill? I think most Members would rather avoid that.

Mr Streeter: It is certainly the case that there are variations in the number of electors in certain wards, which is one reason why, in the hon. Lady's own constituency, the LGBCE is about to start work on reforming the wards in Slough borough council. Whether the Boundary Commission for England will take those variations into account is very much a matter for itself, not for the Electoral Commission.

Sarah Newton (Truro and Falmouth) (Con): What recent representations and discussions has the Electoral Commission had with the Deputy Prime Minister regarding the real problems associated with second home voter registration?

Mr Streeter: I am not aware of any recent discussions about that very important matter, which perhaps afflicts hon. Members from the west country more than those from other regions, but I will take my hon. Friend's representations to the Electoral Commission and see whether such dialogue can now take place.

Clive Efford (Eltham) (Lab): Until now, local government boundaries have formed the building blocks on which constituencies are made up. It is important that local communities are understood so that electoral boundaries are easily and clearly understood by people who live within them. May I stress to the hon. Gentleman the need to make the case that local communities must take precedence in all decision making on future and current boundary reviews, which will affect parliamentary boundaries in future?

Mr Streeter: The hon. Gentleman makes a very powerful point, and the LGBCE does indeed take into account the wishes and interests of local communities in settling where ward boundaries should lie.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Hospital Chaplaincy

3. **Nicky Morgan** (Loughborough) (Con): What steps the Church Commissioners are taking to support hospital chaplaincy. [27048]

The Second Church Estates Commissioner (Tony Baldry): Last month the Archbishops of Canterbury and York appointed the Bishop of Carlisle, the Right Rev. James Newcome, as the lead bishop for health care, including the support of hospital chaplains. The Church of England works extensively with workplace chaplains, especially in hospitals, and is keen wherever possible to develop interfaith chaplaincy co-operation. We believe that chaplains of all faiths play a vital role in the support of patients, families and staff in hospitals.

Nicky Morgan: How is the Church of England responding to hospital trusts that have decided either not to replace chaplains who have left or to cut back on their chaplaincy?

Tony Baldry: Chaplaincy services are central to meeting the spiritual needs of patients, families and staff, and I am glad to note that the Under-Secretary of State for Health, the noble Earl Howe, has recently stressed to hospital trusts the importance of chaplaincy services. We will continue to reinforce that message at every level, because we are all too keenly aware of the importance of chaplaincy services to those who are sick, the dying, their families and the bereaved.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Young People (Electoral Register)

4. **Duncan Hames** (Chippenham) (LD): What discussions the Electoral Commission has had with the Deputy Prime Minister on the effect on the electoral

system of accepting young people onto the electoral roll at the point at which they are issued with a national insurance number. [27049]

Mr Gary Streeter (South West Devon): The Electoral Commission has had no such specific discussions. However, it has had discussions with the Deputy Prime Minister about how national data sources can be used to improve registration, including among young people, as part of the Government's proposals for implementing individual electoral registration in Great Britain.

Duncan Hames: Even though the franchise begins at age 18, will the hon. Gentleman acknowledge the benefits to young voter engagement of allowing them on to the register at age 16, when they are issued with a national insurance number, rather than waiting until the year in which they turn 18?

Mr Streeter: That decision is very much a matter for the Government and not the Electoral Commission. I understand that there is a range of views on that subject within the House.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Auckland Castle Paintings

5. **Helen Goodman** (Bishop Auckland) (Lab): What plans the Church Commissioners have for the future of Auckland castle and the Zurbarán paintings; and if he will make a statement. [27050]

8. **Sir Alan Beith** (Berwick-upon-Tweed) (LD): What consultation the Church Commissioners have undertaken with organisations in the north-east on the future of the paintings of Jacob and the Patriarchs in Auckland castle. [27053]

The Second Church Estates Commissioner (Tony Baldry): I was grateful for the meeting yesterday that was chaired by the Bishop of Jarrow, which the hon. Lady helped to organise. As a consequence of those discussions, it was agreed that the lord lieutenant of Durham will chair a working party to consider over the next three months whether it is possible for the Zurbaráns to remain at Auckland castle.

Helen Goodman: I am grateful to the hon. Gentleman for that answer and I agree that we had a fruitful if rather cold meeting yesterday. In taking future decisions, will the Church Commissioners take account of the Christian mission in its widest sense because, as he knows, the castle is in a town with some of the poorest and most deprived wards in England?

Tony Baldry: The hon. Lady highlights the challenge for the Church Commissioners. I was grateful to her for taking me to visit Woodhouse Close church community centre and the Woodhouse Close church, which is in one of the poorest wards in the country. That demonstrates the Church Commissioners' need to raise money to allocate to clergy in such parishes. However, we will consider carefully and seriously any suggestions that the local community makes that enable us to retain the Zurbaráns at Auckland castle. She must appreciate, however, that they are a drain on, and not an asset to, Church Commissioner funds.

Sir Alan Beith: I welcome my hon. Friend's decision to initiate some new discussions with bodies that are interested in a sustainable future for Auckland castle and the paintings, but will he recognise that the paintings are a precious cultural asset of the north-east region? In their time and to this day, they make a strong statement about the emancipation of the Jewish community in the UK?

Tony Baldry: My hon. Friend is absolutely right. The paintings were a strong and important statement by Bishop Trevor of the Anglican Church's support for the emancipation of the Jewish community.

The Church Commissioners, by and large, do not possess pictures—we tend to own land and property—but I am in absolutely no doubt of the importance and identity of those pictures, which is why the working party that I mentioned, which will be chaired by the lord lieutenant of Durham, will consider ways in which the Zurbaráns can stay at Auckland castle, but I say that without prejudice to the wider statutory and charitable responsibilities and obligations of the Church Commissioners.

Pat Glass (North West Durham) (Lab): I am not sure that the Church Commissioners fully understand the strength of feeling throughout the north-east about those paintings. I welcome the statement on the working party, but will the hon. Gentleman ensure that it includes representatives from the whole region?

Tony Baldry: The hon. Lady can rest assured that the hon. Member for Bishop Auckland (Helen Goodman) and others left me in absolutely no doubt, in the four hours that we were stuck together in the snow yesterday, as to the strength of feeling about the pictures in Bishop Auckland. We fully understand that feeling, but may I explain? If the pictures were sold, they would generate something like £500,000 a year in perpetuity, which could be applied to funding clergy in deprived areas, not least in the north-east. There is a difficult balance to strike, but we understand the importance of the pictures to the north-east. We will listen, which is why I am glad that the working party, which will be chaired by the lord lieutenant, has been set up.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

UK Citizens (Voting Abroad)

6. **Greg Hands** (Chelsea and Fulham) (Con): What discussions the Electoral Commission has had with the Foreign and Commonwealth Office on allowing UK citizens resident abroad to vote at UK embassies and consulates. [27051]

Mr Gary Streeter (South West Devon): The Electoral Commission discussed that issue as part of a round table event with Foreign and Commonwealth Office and Ministry of Defence officials in 2008, but the then Government failed to introduce the comprehensive strategy that the commission sought. The commission, however, has recently repeated its recommendations that the UK Government should introduce proposals for a comprehensive electoral modernisation strategy, including to address how it intends to improve voting opportunities for overseas electors.

Greg Hands: I am sure that overseas electors will be delighted to hear that progress is being made. My hon. Friend will recall that I asked him a similar question last time round, after which I was inundated with e-mails from British ex-pats. One said:

"I have been abroad for 10 years now (ironically, working for the British Government) and have not once received our ballot papers in time to vote".

Another says:

"As a result of poor planning on the Electoral Commission's part, I was denied my vote."

Will my hon. Friend agree that now is the time to consider having British subjects abroad voting in embassies and consulates, at least perhaps on a pilot basis?

Mr Streeter: My hon. Friend is a tireless campaigner on behalf of overseas voters. There is no question but that the cumbersome nature of registration requirements and the tight time scales for getting postal votes to and from overseas voters are part of the reason why so few register and vote overseas. As I mentioned earlier, the Electoral Commission has made radical recommendations to the Government about streamlining the procedures, and it is very much to be hoped that the Government will take those on board.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Churches Conservation Trust

7. **Jeremy Lefroy** (Stafford) (Con): What steps the Church Commissioners are taking to support the work of the Churches Conservation Trust. [27052]

The Second Church Estates Commissioner (Tony Baldry): The Churches Conservation Trust was set up by statute to preserve

"in the interests of the nation"

churches that have closed for regular public worship but are of historic or architectural value. For the funding period to March 2012, the Church Commissioners will provide a further £4 million.

Jeremy Lefroy: How many churches is the CCT currently supporting?

Tony Baldry: The CCT is supporting some 340 church buildings, all of which are of considerable historic or architectural interest. We are grateful for the co-sponsoring by the Department for Communities and Local Government and the Department for Culture, Media and Sport, on a 30:70 basis. This is an issue that is bigger than just the Church. Some 45% of all grade 1 listed buildings are churches, and those buildings represent an important part of the social history of our nation.

Rural Areas

9. **Fiona Bruce** (Congleton) (Con): What steps the Church Commissioners are taking to support the work of the Church of England in rural areas. [27054]

Tony Baldry: The Church of England has a presence in almost every rural settlement and village in England and plays an important and intricate role in rural community life.

Fiona Bruce: Village congregations play an important part in community life in my constituency. What can the Church Commissioners do to support the widest possible use of church buildings?

Tony Baldry: My hon. Friend raises an important point about the use of church buildings. The cathedral and church buildings division of the archbishops' council has been working for the last five years to help congregations do everything that they can to work with communities to identify how church buildings can be used creatively to serve the widest community use. We now see extended use of church buildings, including as post offices, shops, libraries, internet cafes, benefit advice centres and citizens advice centres. Wherever possible, we want to see churches as living buildings where as much community activity as possible takes place, and the Church Commissioners will always support such activity.

Mr Speaker: No one is more grateful for the end of that answer than the hon. Member for South West Bedfordshire (Andrew Selous).

Marriage

10. **Andrew Selous** (South West Bedfordshire) (Con): What steps the Church of England is taking to strengthen and support the marriages of people married in its churches. [27055]

Tony Baldry: All Church of England clergy seek to give support and personal attention to those getting married, at the time of their wedding. My hon. Friend is to be commended for his work with the South Bedfordshire Community Family Trust, which seeks to provide relationship education and support in partnership with churches—a good example of initiatives taken locally to strengthen and support marriage.

Andrew Selous: What action is the Church of England taking to prevent sham marriages?

Tony Baldry: This is an issue that we take extremely seriously. The House of Bishops will consider next month what further advice needs to be issued to clergy and to diocesan chancellors to reduce the risk of sham marriages being conducted in our churches. The Bishop of Ripon and Leeds and I will meet shortly with the Minister for Immigration to ensure that we work closely with the Border and Immigration Agency to see that the Church's systems for preventing sham marriages are robust.

Public Health White Paper

3.33 pm

The Secretary of State for Health (Mr Andrew Lansley): With permission, Mr Speaker, I would like to make a statement on public health. Today, the Government have published a public health White Paper with two clear aims: first, to protect and improve the health of the nation; and secondly, to reduce health inequalities by improving the health of the poorest fastest.

The need for this White Paper is beyond question. Britain currently has among the highest rates of obesity and sexually transmitted infections in Europe. Smoking still claims 80,000 lives a year. Alcohol-related admissions to hospital have doubled in the last seven years. In recent years, inequalities in health have widened, rather than narrowed.

Professor Sir Michael Marmot's review to my Department said that

"dramatic health inequalities are still a dominant feature of health...across all regions."

There is a seven-year gap in life expectancy between the richest and poorest neighbourhoods, but a gap of nearly 17 years for disability-free life expectancy. About a third of all cases of circulatory disease, half of all cases of vascular dementia and many cancers could be avoided by reducing smoking, improving diet and increasing physical activity.

We need to do better, and we will not make progress if public health continues to be seen just in terms of NHS provision and state interventions. Two thirds of our potential impact on life expectancy depends on issues outside health care. Factors such as employment, education, environment and equality are all determinants of health. They are, as Michael Marmot put it,

"the causes of the causes"—

the underlying factors leading to poorer health. Unhealthy behaviours, such as drinking too much, smoking or taking drugs, are part of a complex chain of individual circumstances and social causes, typically rooted in poor aspiration, adverse peer pressure and low self-esteem.

The human cost of poor health is obvious, and so too is the financial one. Alcohol abuse costs an extra £2.7 billion and obesity an extra £4.2 billion each year to the NHS alone. Although there are things we can do to help, we cannot resolve all the difficult issues from Whitehall. Hence the White Paper has one clear message above all others: it is time for politicians to stop telling people to make healthy choices, and start helping them to do it. There will be a profound shift in tone, attitude and outlook. Rather than nannying people, we will nudge them by working with industry to make healthy lifestyles easier; rather than lecturing people about their habits, we will give them the support they need to make their own choices; and rather than dictating policies from the centre, we will support leadership from communities, by giving local authorities more power to develop the right approaches for their communities.

The White Paper is a genuine cross-Government strategy. Through the Cabinet Sub-Committee on Public Health, we will put good health and well-being at the heart of all our policies. To do so, we will recognise that we need to provide support at key times in people's lives. We will not only measure general well-being; we will seek to achieve it. For instance, because we know a mother's health is key to a child's health and development, we are investing in 4,200 more health visitors working with Sure Start children's centres to give families the support they need; because we know those who are unemployed for long periods are more likely to be admitted to hospital and more likely to die prematurely, we are transforming the welfare system, ending the benefits trap and making sure that work always pays, through a single universal credit; and because we know more people would cycle to work or school more often if there were safer routes for them to use, the Government are investing £560 million in sustainable transport.

Subject to parliamentary approval, there will be a new dedicated public health service—Public Health England—which will provide the resources, the ideas, the evidence and the funding to support local strategies. Public Health England will bring together, within the Department of Health, expertise from a range of public health bodies, including the Health Protection Agency, the National Treatment Agency for Substance Misuse and the chief medical officer's department. It will work with industry and other Government Departments to shape the wider environment as it affects our health. It will also develop health protection plans and screening programmes to protect people from health risks.

The foundations of good health are rooted in the community, often at a neighbourhood level, so we must strengthen and renew local leadership to ensure that these efforts reach deeply into communities and match their unique circumstances. Under the White Paper, the lead responsibility for improving health will pass to local government for the first time in 40 years. We intend to give local authorities new powers to plan, co-ordinate and deliver local strategies with the NHS and other partners, and to embed the foundations of good health in ways that fit local circumstances. Directors of public health will provide strong and consistent leadership within local councils. We also intend to establish the new local statutory health and well-being boards as a way of bringing together the NHS and local government.

Whereas before, public health budgets were constantly raided by other parts of the NHS, we will prioritise public health spending through a new ring-fenced budget. We will look to the highest standards of evidence and evaluation to ensure this money is spent wisely. The new outcomes framework for public health, on which we will consult shortly, will provide consistent measures to judge progress on key elements across all parts of the system—national and local. The framework will emphasise the need to reduce health inequalities, and will be supported by a new health premium, incentivising councils that demonstrate progress in improving the health of their populations and so reducing health inequalities.

We have learned over the last decade that state interventions alone cannot achieve success. We need a new sense of collective endeavour—a partnership between communities, businesses and individuals that transforms not only the way we deliver public health, but the way we think about it. Through the public health responsibility deal, the Government will work with industry to help people make informed decisions about their diet and lifestyle, to improve the environment for health, and to make healthy choices easier. Through greater use of voluntary and community organisations, we will reach

out to families and individuals, and develop new ways to target the foundations of good health. Reflecting the framework in the ladder of interventions developed by the Nuffield Council on Bioethics, we will adopt voluntary and less intrusive approaches, so that we can make more progress more quickly and resort to regulation only where we cannot make progress in partnership.

This is a time when the NHS and social care are under intense pressure from an ageing population and higher costs—a time when we must therefore put as much emphasis on preventing illness as we do on treating it. In the past, public health has been a fragmented and forgotten branch of the health service. This White Paper will make it a central part of everything that we do, and we will bring forward legislation in the new year to enact these changes. By empowering local authorities, strengthening our knowledge of what works, and establishing the right incentives to drive better outcomes, this White Paper will deliver the strategy and support needed to reduce health inequalities and improve the nation's health. I commend this statement to the House.

John Healey (Wentworth and Dearne) (Lab): I thank the Secretary of State for advance sight of his oral statement. I am sure that the House will also thank him for the advance copies of the White Paper, which were available before he made his statement.

On Sunday the Health Secretary promised a White Paper that would

"take a radical new approach to public health".

Today he has published the White Paper, and it falls far short of his hype. He has had six years in opposition and six months in government to prepare for this White Paper, but it will disappoint many of those who are most committed to better public health in this country and most concerned that we still have a great deal further to go. For the most part, this White Paper is not new. It is not clear how it will help to improve public health, and it is not a guarantee that the big gains made in the last decade—in cancer screening, healthy food in schools, stopping smoking and free flu vaccines, as well as the big cut in deaths from heart disease—will be continued.

However, in the spirit of responsible opposition, let me tell the Health Secretary that we can offer general support for his aims, which are very similar to those that we set out in our White Paper in 2004. I can promise him close scrutiny of his actions and those of his Government, because as the White Paper says, good public health depends on much more than what the NHS does. As he said in his statement, education, employment, environment and equality are the causes of the causes of poor health. However, the Government's wider policies, which will lead to higher unemployment, poorer housing, greater poverty and an end to the Sport for All programme in schools, will do more damage to public health than his White Paper will do good, and more to increase health inequalities than his plan will do to reduce them.

So what did the Health Secretary say to the Chancellor about policies that will see a third of a million public sector staff on the dole? How hard has he argued against the Education Secretary's plan to axe the school sports partnerships, which have seen three times as many children playing competitive sport than six years ago, and nine out of 10 children playing more than two hours of sport each week? Why is it that everyone else in the Government is set to make announcements affecting public health—on alcohol taxation or pricing, for example—except the Health Secretary? Far from being, as he said, a genuine cross-Government strategy, the White Paper—like his last one, on NHS reform—shows that this a Health Secretary working alone and operating largely in isolation from the rest of Government.

There is nothing new in "nudge", except the soundbite and how hard the Secretary of State is pushing it. We set out the importance of individual decisions and incentives, alongside the need for support services and Government action, in our White Paper on public health in 2004. The test for the Health Secretary is whether the Government will act when they can and when they are needed, especially to protect children. The legislation is in place to end point-of-sale displays of cigarettes. The evidence is there and the experts are clear. Cancer Research UK says that

"we need to put tobacco out of sight and out of mind to protect all young people. The Government has the opportunity to act with conviction and reduce the devastating impact that tobacco has on so many lives."

Will the Secretary of State do that: yes or no?

There is little new in this White Paper, and little is clear about how its plans will improve health and reduce health inequalities. It is 96 pages long but short on detail. We welcome in principle the lead responsibility for improving health being passed to local government, but can the Secretary of State guarantee the powers and the funds that it will need to do the job? Will he confirm that public health outcomes will also be part of the operating frameworks for the NHS and social care, because it would be a disaster if the NHS were now to decide that public health was not its job?

We are concerned about the Secretary of State's responsibility deals. What exactly does he mean by that? What influence will industry have over future health policy? What does he say to the Liverpool health expert and Tory adviser, Professor Simon Capewell, who said that health experts on the public health commission

"were outnumbered and outvoted by people from Tesco, Diageo, and other food and drink manufacturers—and the Commission went with what the industry wanted...which is a scandal"?

What does he say when one of his own advisers offers that view?

We welcome the health inclusion board and the new national public health service, although we thought that this Government were committed to cutting, not creating, quangos. But is not the fact that the inclusion board will tackle the health needs of groups such as homeless people, drug users, alcoholics and sex workers an admission that GPs on their own do not know, and will not commission, what they need for the future?

Is not this one of the first in a series of bodges that will be needed to make the Secretary of State's massive reorganisation plans for the NHS actually work? Whatever he says, we and the public will judge him on what he does. Will he ensure that his £3 billion internal reorganisation of the NHS does not damage public health? Will he take tough decisions about Government action on tobacco? Will he make and win the big arguments in government about the damage to health that comes from no work, poor housing and bad education? In government, it is deeds that count, not words.

Mr Lansley: I am grateful to the right hon. Gentleman for his support for the strategy that is set out in the White Paper. However, he then proceeded to aim off in every other direction. He said that I was in opposition for six and a half years, and, indeed, I made it very clear six years ago that when we came back into government, we intended to ring-fence the public health budget, to create directors of public health who were accountable to the NHS and to local authorities, and to establish a public health service that was more independent and more effective. His Government could have adopted those proposals six years ago, but they simply did not do so.

What was the record of the right hon. Gentleman's Administration? Obesity rates in this country are way above average; in fact, they are among the highest in Europe. Alcohol-related admissions to hospital have doubled in seven years. Sexually transmitted infections are up by more than two thirds in the last decade. Even smoking rates have not changed. Parliament approved a smoking ban in public places, but in the most recent years, there has been persistent prevalence of smoking. It has not gone down in the past year. One in five of the population are experiencing mental ill health at any given time. Those are the records of the Labour Government on public health. Inequalities have widened. In life expectancy, the gap has widened. In infant mortality, the gap has widened. On their own measures, the Labour Government failed in public health, and we are going to put in place a strategy that is truly effective.

Some of the leading international experts, including Sir Michael Marmot, have welcomed what is in the public health White Paper today. The public health profession also welcomes it, because it knows that we are committed to addressing the wider determinants of health. My colleagues across Government are direct participants in the Cabinet Sub-Committee that is delivering this strategy, which is the starting point for public health delivery. Not all the details are in here. We are going to move on to a tobacco control strategy, a physical activity plan, an obesity strategy, alcohol strategies and a range of other responses to the public health threats that we face, and we are going to do that across Government. Only today, my right hon. Friend the Chancellor of the Exchequer announced that we would do what we said we would do, and increase duty on the strongest beers while reducing it on some of the weaker ones, thus beginning the process of incentivising and nudging.

The right hon. Gentleman asked about the responsibility deal. Let me give him an example. In 2004, the last Labour Government said that they would introduce front-of-pack food labelling. They wanted to introduce a single traffic-light system. All that fell apart in utter confusion. There was never a consistent front-of-pack food labelling system. The last Government never worked with industry; they worked against industry, and what was the result? A variety of different systems, and nothing consistent for the public to look at.

Only by working together on a voluntary approach will we start to make progress more quickly, whether it is on labelling, reformulation or activity with employers in the workplace. We will make progress, we will do it more quickly, and we will regulate only when necessary, rather than resorting to regulation and, as the Labour Government did, failing to make any progress and failing to regulate. That is not a basis on which we can deliver the public health improvements that we need.

This is a starting point for a public health strategy that will deliver the improvements in public health that the country requires. We are a Government who are committed to those improvements. They are central to improving well-being, and our strategy will deliver them.

Several hon. Members *rose—*

Mr Speaker: Order. There is much interest in this subject but real pressure on time, with two heavily subscribed Opposition day debates to follow. What we need are short questions and short answers.

Mr Stephen Dorrell (Charnwood) (Con): I congratulate my right hon. Friend the Secretary of State on a White Paper that redeems his pre-election pledge to raise public health to a higher level of priority than was accorded to it not merely by the last Labour Government, but by the Conservative Government in which I held my right hon. Friend's responsibilities. I congratulate him on delivering the first step towards that commitment, and particularly on the transfer of public health responsibility to local government. The White Paper proposals will fulfil the promise to make public health a cross-Government responsibility, and will deliver what has been described as the "fully engaged scenario". That is the only way in which we can deliver our broader public health objectives.

Mr Lansley: I am grateful to my right hon. Friend for his comments. Derek Wanless said that we needed an "engaged" scenario back in 2002, but it simply did not happen. I know that many in public health feel that the transfer giving local government the lead responsibility on public health—which is radical and new—will, in many respects, bring public health back home. It allies the public health initiative and resources to the responsibilities of local government on economic development, the environment, planning, housing and education in precisely the ways that will influence the wider determinants of health.

Frank Dobson (Holborn and St Pancras) (Lab): I welcome the Secretary of State's proposal to return public health to local authorities, from which a Tory Government took it away, but why did he not mention housing in his statement? It is widely accepted that homelessness, poor-quality housing, overcrowding and insecurity of tenure are major causes of both mental and physical ill health, and a major cause of inequalities in health.

Mr Lansley: I am grateful to the right hon. Gentleman for his support. In fact, I did mention housing. However, I have also established in the Department a health inclusion unit—derided by those on the Labour Front Bench as a quango, although it is not one—whose purpose will be to focus specifically on some of the most excluded communities, such as the homeless and Traveller groups. Life expectancy in some of those groups can be in the 40s, and the gap in life expectancy and the health inequalities are a scandal. I have appointed Professor Steve Field, formerly of the Royal College of General Practitioners, to lead it, and I think that he will do a fantastic job in ensuring that the NHS, as well as local authorities, reaches out to deliver the health improvement that is needed.

Stephen Williams (Bristol West) (LD): I welcome the White Paper in general, and particularly welcome the commitment to rigorous and evidence-based policy-making. I commend to the Secretary of State the latest report of the all-party group on smoking and health, which I chair, entitled "Inquiry into the effectiveness and cost-effectiveness of tobacco control". May I give the Secretary of State and his ministerial colleagues a strong nudge to implement as soon as possible the orders on control of the display of tobacco that were passed in the last Parliament?

Mr Lansley: I am grateful to my hon. Friend for his comments. As in a number of other areas I have mentioned, we will publish a strategy in due course, and a tobacco control strategy will be published in the new year. Parliament voted for the display regulations and we are looking into that, but we have to balance the evidence on health improvements with the impact of such a measure, particularly the burdens on small retailers. We are also currently examining the option of plain packaging of cigarettes, which the last Government did not do. That might in itself be an important measure to reduce both the visibility of cigarettes and the initiation into smoking of young people in particular.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): Not so much nudge as fudge on this issue. Why will the Secretary of State not accept that giving those displaying tobacco and cigarettes time to adjust by allowing them to implement the regulation this time next year is good common sense? Is it not the case that the Government's refusal to acknowledge the implementation of this regulation passed by Parliament can only be explained by there being an ideological objection to protecting young people in particular from the incitement to buy?

Mr Lansley: I am afraid the right hon. Gentleman is simply wrong about that: we have made no announcement, and I have said we are considering it. More to the point, I have said we are also considering the question of plain packaging of cigarettes, which is being pursued by a Labour Administration in Australia, and which his Administration did not pursue.

Nadine Dorries (Mid Bedfordshire) (Con): The White Paper states that we are going to provide easy access to confidential non-judgmental sexual health services. Will that include better counselling for women seeking an abortion, and will that counselling include the information that has so far been withheld from women seeking a termination?

Mr Lansley: The support for women seeking the termination of a pregnancy should include the fullest possible information about the nature of that procedure and its consequences. Consent should always be fully informed.

Mr Kevin Barron (Rother Valley) (Lab): There is much merit in what the Secretary of State has announced. Will the new outcomes framework, which will provide consistent measures to judge progress on key elements, include smoking cessation figures? As he well knows, 50% of our health inequalities in this country are created by tobacco use.

Mr Lansley: We will publish a consultation on the outcomes framework soon, but smoking cessation and the absence of initiation into smoking are clearly very important. Smoking is still the single largest avoidable cause of early mortality, and we must try to reduce further the prevalence of smoking. It has not been reduced in the last couple of years, and we need to reduce it.

Julian Smith (Skipton and Ripon) (Con): May I urge the Secretary of State to ensure that councils serving very rural communities do not lose out under the new regime?

Mr Lansley: All councils will be supported to develop health improvement strategies. When we come to publish the consultation on the funding of the public health budget, that will set out how, in addition to the resources used nationally, there will be significant resources in a ring-fenced budget for local authorities. Because of the nature of the health premium, that budget will be significantly weighted towards areas of greatest disadvantage and poorest health outcomes.

Joan Walley (Stoke-on-Trent North) (Lab): Whatever Government were in power, I would welcome an enhanced role for environmental health officers in improving public health policy. Given the depth of the coming cuts to local authority budgets, however, there is real concern, regardless of the ring-fencing statement we have had, as to whether there will be sufficient resources and capacity for environmental health officers. Does the Secretary of State intend to have an environmental health officer at chief officer level inside the Department of Health?

Mr Lansley: I have had discussions with environmental health officers and they are enthusiastic about the opportunity for much greater synergy between their work and public health responsibilities. They see their role as integral to the achievement of public health. Indeed, some of the greatest public health improvements of the past were initiated in local government and through responsibilities that are currently within environmental health legislation, so I am looking to the health and well-being boards to bring these responsibilities together more effectively.

Dr Sarah Wollaston (Totnes) (Con): Is my right hon. Friend aware that about 30,000 people a year in this country die as a result of alcohol, and that Department of Health modelling has shown that if we were to increase the minimum price per unit to 50p we would save over 2,000 lives a year? Will he look at the proposals published in the *British Medical Journal* to have variable rates of VAT so we can increase the price without penalising the on-licence trade?

Mr Lansley: My hon. Friend will know that the Chancellor of the Exchequer made an announcement today about the level of duty on beers, in particular. We have made it clear, in the coalition agreement and since, that we will act to ban the below-cost selling of alcohol. I think that that will make a significant difference. We will also in due course publish an alcohol strategy, through which we will examine a range of ways in which we can not only enforce the current legislation more effectively, but create an environment in which we

[Mr Lansley]

progressively reduce the abuse of alcohol. It is very important for us to understand that we must distinguish between our relationship with tobacco, whose use we want to minimise—we want to encourage people never to use tobacco—and our relationship with alcohol, where we are seeking its responsible use, rather than seeking to penalise people who engage in responsible drinking.

Alex Cunningham (Stockton North) (Lab): Which part of the health service or the Sure Start budgets will be cut to fund the new army of health visitors, and where are they going to come from?

Mr Lansley: The health visitor programme is not funded by cutting anything else; it comes from within the NHS budget, because we regard providing support to families when babies first come home and offering a universal health visiting service that signposts other resources to help families as absolutely integral to the improvement of health in the future. That is funded from within what was an historic commitment from this Government to protect the NHS budget and to increase it in real terms over the next four years. We are going to fund this from within the NHS resources.

Paul Maynard (Blackpool North and Cleveleys) (Con): Males in the Blackpool part of my constituency have only a 56% probability of reaching the age of 75. Can the Secretary of State tell me what measures in the White Paper will help to promote the act of ageing and allow more of my constituents to reach a milestone that many of us take for granted?

Mr Lansley: I am grateful to my hon. Friend for his question. Many aspects of the White Paper and subsequent strategies relate to these issues. In the long run, his constituents will find that the measures that have an impact early in life or which work through early intervention will make the biggest difference, as was made clear in Sir Michael Marmot's review, in which he talked of a universal proportionality. Such measures include, for example, our universal health visiting service and family nurse partnerships, which are intervening at that stage. If we have not succeeded through early intervention, however, or many people have chronic ill health, we will continue to ensure through our screening programmes and local health improvement plans that people are identified early and opportunities are created for them to make lifestyle decisions that will improve their chances of disability-free life expectancy thereafter.

David Cairns (Inverclyde) (Lab): I welcome the acknowledgement in the White Paper that about 25% of HIV cases in this country are currently undiagnosed. Will the Secretary of State therefore lend his support to the "Halve It" campaign, which is being launched tonight by the all-party group on HIV and AIDS, which I chair, with the Terrence Higgins Trust and others? The campaign aims to halve that number by 2015. That will mean fewer early deaths, fewer cases of HIV being spread and, ultimately, significant savings for the NHS.

Mr Lansley: I agree with the hon. Gentleman. Almost 22,000 people with HIV are unaware of their condition. We need to ensure, through the sexual health services, that people have consistent access to HIV testing and are encouraged opportunistically to ensure that they are HIV tested so that we can deliver the services they need. What he describes is one of the opportunities that we can examine when considering how the outcomes framework will measure the performance of local health improvement plans.

Mr Charles Walker (Broxbourne) (Con): I have just learned that for the past year Hertfordshire primary care trust has been plotting to close the enormously successful urgent care centre in Cheshunt. If that happens, can the local authority step in, if its finances allow, to run the urgent care centre?

Mr Lansley: I was not aware of what my hon. Friend describes, and strictly speaking it does not relate to the White Paper. None the less, it will remain the case that local authorities, through current overview and scrutiny arrangements or future scrutiny arrangements, have the ability to ensure that major service changes of that kind are subject to scrutiny. If such changes are not justified in the interests of local people, they can be referred to me and I can seek the independent reconfiguration panel's advice.

Emma Reynolds (Wolverhampton North East) (Lab): The Health Secretary rightly underlined in his statement the importance of tackling obesity. Is there any truth in the suggestion that he has expressed concerns that plans to dismantle the school sport partnerships will exacerbate the problem of tackling childhood obesity and has he discussed those concerns with the Education Secretary?

Mr Lansley: No; the hon. Lady should not believe what she reads in newspapers. The Education Secretary is not scrapping the school sport partnerships; he is providing the resources directly to schools so that they can make the decisions on how they promote sport. From my point of view, I have always made it clear—this has been the burden of my conversation with my colleagues—that we are already supporting school sports clubs in secondary schools through Change4Life. We intend to maintain that and to expand the role of Change4Life, linking in to primary schools so that we stimulate activity and exercise for young people overall. That is entirely complementary to how schools, using their own resources, stimulate sport. With regard to competitive sport, they will be assisted additionally through infrastructure funding for the new school Olympics.

Dr John Pugh (Southport) (LD): I congratulate the Secretary of State on his long-standing and personal commitment to public health as the best way of dealing with health inequalities. How do we stop GPs operating in silos and prescribing pills where they might prescribe exercise? How do we join up the pieces?

Mr Lansley: I am grateful for that question. The answer has two parts. First, the general practice-led commissioning consortiums will be members of the new health and well-being boards in local authorities to which I referred. They will participate in the joint strategic needs assessments and strategies through the commissioning framework, the outcomes framework and the quality and outcomes framework, which applies

directly to general practice. The less we focus on processes, and the more we focus on outcomes for patients, the more general practice will be focused on preventive solutions, because they will deliver good outcomes at relatively low cost. To that extent, the preventive agenda in general practice and community health services will be incentivised through a focus on outcomes.

Simon Danczuk (Rochdale) (Lab): What proportion of the NHS budget will go to local authorities to provide for public health and how will the funding reflect local health inequalities?

Mr Lansley: I must disappoint the hon. Gentleman. We will publish shortly—I hope before Christmas—the consultation on the funding arrangements. We started by establishing the baseline spend for public health, which was never identified under the last Government. It has taken months even to get to the point where we can establish what it looks like—*[Interruption.]* The hon. Member for Leicester West (Liz Kendall) mentions Julian Le Grand from a sedentary position. He did good work, but it included the whole of maternity services as a public health service. Julian Le Grand and Health England's work arrived at the figure of £4 billion. In fact, the baseline is in excess of £4 billion, but its composition is completely different. We will set out shortly the structure and proposals for funding local authorities' public health activity.

Mike Weatherley (Hove) (Con): Given my right hon. Friend's voting record in the last Parliament, and indeed that of most Government Members, will he advise the House what specifically he is looking to achieve through the tobacco display ban analysis?

Mr Lansley: Through our tobacco control strategy, I am looking to achieve, as we will set out, a continuing reduction in smoking prevalence. In particular, I want to identify how we can substantially reduce the initiation into smoking among young people.

Kate Green (Stretford and Urmston) (Lab): I genuinely welcome the Secretary of State's recognition of the importance of a cross-Government approach to tackling health inequalities. He will be aware that Sir Michael Marmot identified income as one of the most important determinants of health. Will the Secretary of State make representations to his colleagues the Chancellor and the Secretary of State for Work and Pensions to ensure that everyone can have an adequate income, from those reliant on out-of-work benefits to those who are in employment?

Mr Lansley: I understand the hon. Lady's point. Sir Michael Marmot has generously welcomed the White Paper's proposals and its thrust. He made a specific proposal about a specific standard of living related to health—effectively a basic income proposal. That is not the Government's proposal, but we intend to act on the other five domains in his report, the effect of which, among other things, will be to ensure that the welfare to work programme—the most ambitious and comprehensive programme ever initiated by any Government in this country to take people off benefits into work—will support people not only through better disability benefit assessments, which will help in health assessments, but by ensuring that people in work are healthier because they are less likely to be poverty and more likely to be free of the distress associated with unemployment.

Mrs Anne Main (St Albans) (Con): In St Albans we are lucky that people live for quite a long time, but often elderly care packages are not put in place to allow elderly care patients to come out of hospital and into adult social care services. Will the proposals in the White Paper to give local government more control help to ease this problem?

Mr Lansley: As my hon. Friend may know, we are acting already. Through the spending review we have made very clear the NHS commitment to support local authorities in the delivery of adult social care responsibility, particularly through the integration of health and social care. That includes £70 million this year for re-ablement, £150 million in the next financial year for more re-ablement activity and nearly £650 million in the next financial year in direct support from the NHS for preventive and other activities to support social care. That will make a big difference to her constituents.

Diana Johnson (Kingston upon Hull North) (Lab): Hull city council's recent record is of raising sports charges, blocking free swimming, axing free healthy school meals, dragging its feet on smoking and allowing junk food outlets to open near schools. In the light of that record, I am concerned about local authorities taking control of public health. What safeguards will there be regarding local authorities whose public health agenda is more from the era of "Life on Mars"?

Mr Lansley: There we have it: the Labour party as the opponent of local government. I am sure that people will recognise that when we arrive at local government election time. The Labour party has never trusted local government but we are going to trust it. We are going to give it not only greater freedoms but greater powers and responsibilities. Not every local authority will be brilliantly successful, but at least local authorities are directly accountable to the people who elect them—those for whom the authorities will deliver services.

Philip Davies (Shipley) (Con): Many of the measures that my right hon. Friend proposes, such as the plain packaging of tobacco, forcing responsible drinkers to pay more for alcohol in supermarkets than they otherwise would and, bizarrely, forcing employers to allow women to breastfeed at work are a triumph not for public health but for the nanny state—something that we thought had gone out with the previous Government. Why is he still so wedded to the nanny state?

Mr Lansley: I am wedded to achieving improvements in public health. Interestingly, today I have been accused both of being an exponent of the nanny state and of having abandoned it in favour of "nudge". The truth is that, as one sees in the White Paper, there is a clear philosophy here that we will pursue a voluntary approach, regulate only where necessary and seek to have less intrusive and less interventionist approaches in order to make more progress more quickly. If we do not make progress through voluntary approaches, we will of course still have to protect the public's health and we will seek other measures to do so, but they have been tested to

[Mr Lansley]

destruction by the previous Administration. It did not happen—they did not succeed and they did not improve public health—but we are determined to do so.

Clive Efford (Eltham) (Lab): The Secretary of State consistently comes to the House and announces policies that seem to have been written on the back of a fag packet from the Minister of State, Department of Health, the hon. Member for Chelmsford (Mr Burns), but in his explanation on this morning's "Today" programme the Secretary of State could not even make his mind up about the fag packet. Does he understand that the time allowed for the implementation of legislation that has been passed by the House was meant to allow people who are consequential in delivering that policy enough time to plan for it? The delay that he has introduced has made it more difficult for people such as the newsagents whom he spoke about in his statement because they have to prepare. Are we going to have branding or not? Will packets be on display or not? What is the Government's policy?

Mr Lansley: I think that I have already answered that question. The hon. Gentleman at least among Opposition Members seems to have understood what it is to be in opposition: the point is simply to oppose and that is all he is doing. This is a positive statement and he should address it in that light.

Mr Edward Timpson (Crewe and Nantwich) (Con): Does the Secretary of State agree with local GPs in my constituency that one way to help reduce health inequalities and spend money in the NHS better is to review reporting mechanisms in the NHS and how they impact on referral decisions, particularly in-house referrals?

Mr Lansley: Yes. I know that the GPs in Cheshire are a very go-ahead group and I am looking forward to seeing how they take on these responsibilities. I have seen GPs recently make presentations showing that they can really take a grip on referral patterns. They can see referrals not just in terms of trying to interpret patterns and numbers, but on the basis of clinical judgment. The combination of clinical judgment and understanding and knowledge of commissioning and contracting leverage is the basis from which we can improve overall the commissioning of activity for patients.

Andrew Gwynne (Denton and Reddish) (Lab): The Secretary of State mentioned that the Government are investing £560 million in encouraging sustainable forms of transport, such as walking and cycling, but given that the Department for Transport is systematically un-ring-fencing many of the transport budgets for local government, what guarantees can he give that that pot of money will be spent on that specific purpose?

Mr Lansley: We have been very clear in the spending review and subsequent announcements that we will take the ring fence off many of the grants provided to local government, because we trust local government and we expect those in local government who are responsible for such things to be accountable to their electors. Where public health is concerned—this is separate from the point the hon. Gentleman makes—NHS money will be ring-fenced in the hands of local authorities for health gain. There will be many appropriate uses, so the ring fence will in no sense, I hope, have a constraining effect.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I am sure that, like me, the Secretary of State recognises that different population groups offer and present different public health challenges; for example, the Asian community has higher rates of cardiovascular disease. Does he agree that the White Paper presents an excellent opportunity for local authorities to address specific local concerns that are relevant to their NHS populations?

Mr Lansley: Yes, I do. My hon. Friend is absolutely right. The structure proposed in the NHS reform White Paper in July was to bring local authorities and the NHS together to undertake joint strategic needs assessments leading to a combined strategy. Understanding the causes of ill health, and understanding where ill health is occurring and where the greatest areas of unmet need are in a community, will impact positively both on NHS commissioning and on local authorities.

Fiona Mactaggart (Slough) (Lab): I welcome the proposal to give public health responsibility to local government, but will the Secretary of State assure the House that his intention is to build on proven successful initiatives, such as the family nurse partnership that works with teen mothers in my constituency, and health advocates? In contrast to GPs who, when offered an opportunity to give out membership of slimming clubs, managed to give only one in six months, health advocates managed to gain about 2,000 regular participants in slimming clubs, thus helping to deal with the obesity problem in Slough.

Mr Lansley: I am grateful to the hon. Lady. At least I know that she supports the proposal to transfer the responsibility to local government—not something I discovered from the reply of the right hon. Member for Wentworth and Dearne (John Healey). The short answer is that I have already announced that over the next four years we will double the number of family nurse partnerships, so we shall indeed support them. More than that, as Sir Michael Marmot made clear, it is vital that we combine the targeted support that the FNPs can give and a restored universal health visiting service to help every family as they start out.

Mark Lancaster (Milton Keynes North) (Con): One of the clearest indicators of health inequalities is life expectancy. In two near-neighbouring wards in Milton Keynes, there is a variation of 12 years, which is a staggering figure. How can we address this problem?

Mr Lansley: My hon. Friend is absolutely right. The truth is that we know we have to take action nationally, and we will, not only through health protection but through much more effective health screening, immunisation programmes and an early start in the health visitor programme, for example. It will be for his local authorities and communities to get together to ask how they can address the inequalities. That will be vital to achieving health improvement in his community.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Last year, Birmingham had about 500 confirmed cases of tuberculosis and there were calls for the city council to have compulsory city-wide inoculation programmes. Under the Secretary of State's newly conferred powers, is that something that local authorities could now do?

Mr Lansley: No; the response to infectious diseases will continue to be the responsibility of the Department of Health, with a more integrated Public Health England incorporating the responsibilities of the Health Protection Agency and recommendations from the Joint Committee on Vaccination and Immunisation and others. There was a lot of important debate about the discontinuation of the BCG inoculation. My view is that targeted action in areas with high prevalence of TB—as there is in a small number of places—is more appropriate than the introduction of any generalised inoculation at this stage.

Charlie Elphicke (Dover) (Con): But when and how will action be taken on the evil of cheap supermarket booze?

Mr Lansley: My hon. Friend will not have to wait long for announcements from hon. Friends of mine in the Government.

Pat Glass (North West Durham) (Lab): Is not part of the problem the way in which Departments continue to operate in silos, so the Secretary of State for Education can cut the school sports initiatives with no impact on educational outcomes, but massive impacts on health? The Department of Health can consistently underfund children's health services such as speech therapy and mental health, with very little impact on the Minister's Department but massive impact on education outcomes. Is the statement not just evidence of more silo working?

Mr Lansley: That is all complete nonsense. On sport and activity in schools, my right hon. Friend the Secretary of State for Education is supporting schools and mainstreaming funding for sport and physical activity into school budgets; my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport is working to support competitive sport and the sport Olympics; and I am working to stimulate physical activity through Change4Life school sports clubs, increasingly in the primary sector as well as in the secondary sector. We are working on all that together and it is entirely complementary.

Dr Julian Lewis (New Forest East) (Con): Given the commitment to popular choice, can my right hon. Friend confirm that when responsibility for putting fluoride into drinking water is taken away from strategic health authorities, the people who have the final say on the matter will be the people who drink the water?

Mr Lansley: The responsibility will be transferred to local authorities, and they will have the same obligation to consult their population as exists in the present legislation. In my view, local authorities are more accountable to the population that they serve than strategic health authorities have been in the past.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The Secretary of State said in his statement that politicians need "to stop telling people to make healthy choices" and actually help them to do it. He said that they need to stop nannying people, but nudge them "to make healthy lifestyles easier", and that "rather than lecturing people...we will give them the support they need to make their own choices". Can he explain how failing to implement the tobacco display policy is forwarding those aims?

Mr Lansley: The hon. Lady does not seem to understand. We have made no announcement in relation to the tobacco display regulations—*[Interruption.]* They were approved by Parliament before the election. We have made it clear that we are looking at a tobacco control strategy. I made it clear just now at the Dispatch Box that, beyond anything done by the previous Government, I am considering the question of the plain packaging of cigarettes, which in itself could be a significant additional weapon in our armoury to reduce the initiation of smoking among young people and the visibility of cigarettes. When we publish a tobacco control strategy, we will weigh up the wide range of such factors.

Robert Halfon (Harlow) (Con): Harlow parents will welcome the extra support for Sure Start, particularly after the scares from the Opposition at the last election. Will my right hon. Friend set out the measures that the White Paper takes to support other local charities that do so much to combat drug and alcohol abuse in my constituency and elsewhere?

Mr Lansley: I entirely agree with what my hon. Friend says. I appreciated visiting a children's centre in Roehampton just this morning to see how it was bringing together all the opportunities. Important among those was the relationship with health visitors and their signposting role in relation to that service and others. Through the White Paper, we will, in a number of respects with which I shall not detain the House now, focus on how we can work with social enterprises, the voluntary sector and charities in order to deliver health improvements. As that will involve factors such as behaviour change, the ability of charities to work with people at a personal level and to be highly innovative will be important in making it successful.

Margot James (Stourbridge) (Con): I welcome the liberation of public health from its ivory tower. It will be able to do much more good in the real world. Can my right hon. Friend say a little more about how the health and well-being partnerships might work with businesses, the police and other relevant agencies to reduce alcohol-related admissions to hospital?

Mr Lansley: When we publish the alcohol strategy, there will be more to say about that, but it is already clear that we can do much more on local community alcohol partnerships, which have demonstrated their success in places such as St Neots in Huntingdonshire, so that enforcement and work to prevent young people from purchasing alcohol when they should not do so is much more successful. We can also work much more effectively on improving alcohol labelling, and we are working through the responsibility deal to look at those opportunities, too.

James Morris (Halesowen and Rowley Regis) (Con): I welcome the Secretary of State's statement. Does he agree that in local areas it is important for local government to work closely with the voluntary sector, particularly on preventive mental health services?

Mr Lansley: Yes, I entirely agree. The extent to which charities and the voluntary sector can initiate new ideas is woefully underestimated. This is not just about local authorities, and still less about central Government saying, "Here is a programme, would charities like to bid to run it?" Even more importantly, we must be clear that charities should now come forward to anticipate the resources needed to improve public health, and to suggest their own innovations to deliver better health for their communities.

Mr David Burrowes (Enfield, Southgate) (Con): My right hon. Friend will recognise the description of alcohol treatment as a Cinderella service, which is sadly not just a seasonal description but often the soft target of cuts by PCTs. I therefore welcome the opportunity in the White Paper for pooled budgets and for co-ordination between public health service directors and children's services directors to prevent and tackle alcohol misuse.

Mr Lansley: I am grateful to my hon. Friend, because I think that through these measures we will help to integrate drug, alcohol and sexual health services, rather than see them in silos. Even in primary care trusts, those services have often been treated as completely discrete activities, because they have been related to specific targets that central Government have set, rather than part of an holistic community view of how we improve health.

Inside the NHS we are shifting public health to that degree of protection, because back in 2005 when the Labour party was in charge, the Chief Medical Officer said:

> "There is strong anecdotal information from within the NHS which tells a...story for public health of poor morale, declining numbers and inadequate recruitment, and budgets being raided to solve financial deficits in the acute sector."

Under Labour, public health was raided and denigrated; under this Government, public health will be given the place it deserves.

Andrew Percy (Brigg and Goole) (Con): I support any moves to reduce the use of tobacco throughout the country, and that is why I support the smoking ban so much, but will the Secretary of State assure us that when we look at the tobacco display ban we will consider all the international evidence from countries such as Canada and Ireland, which have found that the ban has not been the slightest bit effective in reducing the number of people who smoke?

Mr Lansley: Yes, and I believe very strongly that we must work on the basis of evidence in public health, rather than simply on anecdote and assumptions.

Mr David Evennett (Bexleyheath and Crayford) (Con): I welcome my right hon. Friend's statement and, in particular, the ring-fenced public health budget and the increased role for local authorities. Is he aware that under the previous Government many PCTs cut funding for public health and plugged gaps elsewhere?

Mr Lansley: My hon. Friend makes a very important point, and that was not all that happened. On the money available to primary care trusts for what is termed the healthy living programme, there is no correlation between how much trusts spend relative to health deprivation, so in places with the poorest health outcomes trusts on average do not spend any more on discretionary health improvement activity. That is why our proposed health premium is so important. The places with the poorest health outcomes will clearly have the money they need to undertake specifically preventive work to raise health outcomes.

Bob Blackman (Harrow East) (Con): I warmly welcome the proposals to transfer public health to local authorities and, indeed, the ring-fencing, but will my right hon. Friend clarify how we will enforce the spending of that money on public health, so that there are no blurred edges and local authorities cannot fund their other services from within that ring-fencing?

Mr Lansley: I bow to my hon. Friend in his understanding of local government. My experience and understanding of local government is such that I know that the people involved are very concerned about improving health in their communities, and these resources will be available for that. Those people will not only be accountable to the people who elect them but accountable through the incentive mechanism of the health premium for the delivery of improving outcomes in the reduction of health inequalities. They will have an in-built incentive in the funding system to use those resources to deliver the outcomes that are collectively agreed, co-produced with local government. If they do not do so—if they spend the money elsewhere—they will not see the increase in resources that would otherwise flow.

Anne Marie Morris (Newton Abbot) (Con): Given the Secretary of State's support for Sure Start, will he clarify his plans for Home-Start, as several families in my constituency are concerned that it will lose funding?

Mr Lansley: I will write to my hon. Friend about that. We are very clear that we are going to introduce a universal health visitor service, which has been lost in recent years. That element of universal support to all families when babies first come home is an absolutely integral part of getting them on the right path. We think that not just targeted but early support for all families will have disproportionate benefits in the long run.

Andrew Griffiths (Burton) (Con): I applaud the Secretary of State's commitment to tackling alcohol misuse and his determination to ban below-cost selling. However, does he share my concern that a definition of below-cost selling that is duty plus VAT, which would still allow supermarkets to sell a bottle of wine for £1.90 or a can of lager more cheaply than a can of Coca-Cola, will fail to deliver the outcomes that he is looking for?

Mr Lansley: My hon. Friend tempts me to pre-empt announcements which properly fall to my colleagues in the Home Office. I will leave it to them, if I may, to make those announcements, and we will debate the issue then.

Mr David Nuttall (Bury North) (Con): Is my right hon. Friend aware that in Bury people will be happy and prepared to take responsibility for their own health provided that there are fully functioning children's and maternity, and accident and emergency, departments at Fairfield hospital?

Mr Lansley: My hon. Friend and I have shared visits to Fairfield hospital on a number of occasions. I know how strongly his constituents feel about their access to services at Fairfield hospital and how well he has represented those at the hospital in their case for the retention of those services.

Points of Order

4.32 pm

Hilary Benn (Leeds Central) (Lab): On a point of order, Madam Deputy Speaker. We have just had a statement which, although very important, did not have to be made today—a day on which we have two crucial Opposition day debates. Given that the Opposition day was moved from yesterday to today in order to avoid yesterday's autumn forecast cutting into the time available, is it not a bit galling to discover that a statement has been put in for today? I hope that that has nothing to do with trying to distract attention from the problems that the Government face on school sport and on breaking pledges on tuition fees. We understand that there are occasions when there are urgent questions and urgent statements, but what can be done to protect the time for Opposition days?

Madam Deputy Speaker (Dawn Primarolo): I am grateful to the right hon. Gentleman for giving me notice of his point of order. He will understand that the timing of statements is a matter for the Government. He will also know that the Procedure Committee is considering ministerial statements, and he may well want to make some points to that Committee. Of course, he can always raise the matter again at business questions on Thursday.

Dr Julian Lewis (New Forest East) (Con): Further to that point of order, Madam Deputy Speaker. May I express my total sympathy with the shadow spokesman's point, given that I remember how immensely frustrating it was for us when we were on the Opposition side of the House and the Labour Government did that time and again?

Madam Deputy Speaker: Thank you very much—score draw.

David Cairns (Inverclyde) (Lab): On a point of order, Madam Deputy Speaker. I hope that this is not an own goal. On much the same point, has not the timing of these Opposition day debates robbed us of the opportunity to have a statement from the Secretary of State for Scotland, who is today announcing the biggest package of devolutionary changes affecting this House not here but in the media and in the Scottish Parliament? As the Under-Secretary of State from the Scotland Office is now on the Treasury Bench, perhaps he could come to the Dispatch Box and tell this House what his boss is busily telling the media.

Madam Deputy Speaker: I am grateful to the hon. Gentleman for raising that point of order, but as he well knows, matters on the timing of business lie with the Government, not Mr. Speaker. However, I am sure that there will be plenty of opportunity to debate the issues that he has raised at some point in the parliamentary calendar.

BILLS PRESENTED

SCOTLAND BILL

Presentation and First Reading (Standing Order No. 57)

Secretary Michael Moore, supported by the Prime Minister, the Deputy Prime Minister, Mr Chancellor of the Exchequer, Mrs Secretary May, Mr Secretary Hammond, Danny Alexander, Mr David Gauke and David Mundell, presented a Bill to amend the Scotland Act 1998 and make provision about the functions of the Scottish Ministers; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 115) with explanatory notes (Bill 115-EN).

POLICE REFORM AND SOCIAL RESPONSIBILITY BILL

Presentation and First Reading (Standing Order No. 57)

Mrs Secretary May, supported by the Prime Minister, Mr Secretary Hague, Mr Chancellor of the Exchequer, Mr Secretary Clarke and Nick Herbert, presented a Bill to make provision about the administration and governance of police forces; about the licensing of, and for the imposition of a late night levy in relation to, the sale and supply of alcohol; for the repeal of sections 132 to 138 of the Serious Organised Crime and Police Act 2005 and for the prohibition of certain activities in Parliament Square; to enable provision in local authority byelaws to include powers of seizure and forfeiture; about the control of dangerous or otherwise harmful drugs; to restrict the issue of arrest warrants for certain extra-territorial offences; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 116) with explanatory notes (Bill 116-EN).

WASTE RECYCLING (END USE REGISTER) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Peter Bottomley, supported by Clive Efford, Caroline Lucas, Mr Don Foster and Robert Halfon, presented a Bill to require certain authorities to maintain a register of the destination of recycled materials; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 21 January 2011, and to be printed (Bill 117).

Consumer Protection (Private Car Parks)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.36 pm

Henry Smith (Crawley) (Con): I beg to move,

That leave be given to bring in a Bill to make provision relating to the licensing of charging, publicly-available, privately-owned car parks; to require local authorities to introduce a licensing system for such car parks; to enable local authorities to recover the costs of such a licensing scheme from car park operators; and for connected purposes.

Hon. Members are sent to this place for essentially two reasons: to represent the interests of our constituents and to ensure the passage of good legislation that will enhance and protect the well-being of citizens. I believe that the proposed Bill would do both.

I remind the House that there are two kinds of car park provider in this country. First, there are local authority-controlled car parks, which are covered extensively by legislation. Secondly, there are private car parks, which are covered to a much lesser extent by legislation. I will not say that all private car parks are operated irresponsibly. The vast majority of providers treat their consumers with the respect that they deserve. However, there are all too many rogue car park operators who use unscrupulous practices, not only in my constituency but in the constituencies of right hon. and hon. Members up and down the country. The Bill would address that problem. Concerns have been raised not only by right hon. and hon. Members, but by the Consumers Association and organisations such as the Automobile Association.

What is the problem? Often, consumers who have used a publicly available private car park receive in the post several days later a threatening demand from the provider for a so-called penalty payment, alleging that the consumer has not purchased the correct ticket. Even when the consumer produces evidence that they bought, for example, a pay and display ticket, the private operator says that it was not displayed properly. That contrasts with the way in which local authorities run their car parks, where, if somebody can show proof of purchase of a ticket, their fine is cancelled.

The second area of concern is the way in which some unscrupulous operators, who make up the minority of private car park operators, demand payments for the most minor and accidental infractions, such as a wheel that is just touching the dividing white line between spaces. In one case that I came across, somebody received a demand for payment because they got stuck in a queue of traffic as they were trying to leave the car park and were timed out. Again, we may contrast that with how council-run car parks operate. There is an appeals system, and reasonable appeals often succeed. Indeed, appeals succeed in almost two thirds of cases.

The third, and perhaps most disturbing and insidious, aspect of unscrupulous private car park providers is the sheer scale of the "fine" that they seek to levy against the consumer. Often, there is a threatening letter with a demand for £70, which is hiked up to £100 within a fortnight and then further still as time goes by. Again, we may compare that with local authority-controlled car parks, where the fine is typically £50, reduced to £25 if paid within 28 days. We can see that there is quite a difference.

The threatening and aggressive letters sent to many consumers are causing a great deal of concern, particularly among the most vulnerable and elderly constituents of right hon. and hon. Members. Many people simply feel intimidated into paying the apparent fine, which of course is not a fine in any criminal sense, because they just want the problem to go away. Even people who would not be classed as vulnerable have come to me and other Members deeply concerned about threats to destroy their credit rating, send in the bailiffs or seek county court judgments. That means that many people simply pay the demand, which is how unscrupulous private car park firms make an awful lot of money in an unfair way.

The situation is starting to have a detrimental effect on many town centre businesses. I have received plenty of evidence from legitimate businesses in town centres, which have come to me to say that where rogue private car parks operate, they damage business. People say that they are simply not prepared to go into the town centre to shop or for entertainment purposes, because they fear that they will have an arbitrary penalty notice issued against them by a car park provider.

The question is, what is the solution to the problem? It is certainly not in my instincts immediately to reach for regulation or for the rulebook. I certainly would not advocate establishing some sort of national agency or quango, because the Government are quite rightly seeking to reduce the number of quangos despite the best efforts of another place. I am certainly—*[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. I am sorry to interrupt the hon. Gentleman, but private conversations are getting much too loud in the Chamber. If people want to have private conversations, I suggest that they go outside.

Henry Smith: I am very grateful, Madam Deputy Speaker.

I am certainly not proposing that local authorities should take over the patrolling of private car parks that are available to the public, or that the resources of the police should be used for that purpose. What I propose in the Bill is that local authorities with a licensing function should have the ability to license the operation of publicly available private car parks, in the same way that local licensing committees make decisions about the licensing of publicans for the sale of alcohol or cab drivers for the running of taxis. In a similar way, we could have local democratic control with a local focus, to ensure that there is better practice by the minority of unscrupulous car park operators. My proposal would also carry no cost to the council tax payer or the taxpayer in general. Simply, the system would be paid for by a modest application fee paid by private car park operators to the licensing authority when applying for a licence.

Coming before the House shortly in the freedom Bill will be proposals to restrict the use of wheel-clamping. I very much welcome that, but I fear that one unintended consequence will be that unscrupulous wheel-clampers will simply switch to issuing demands for payments from people, in the same way that some private car parks do. I believe that the Bill could be a useful way of closing that loophole.

There is provision in legislation already for local authorities to operate with private car parks. However, that requires the compliance of the private car park operator and the local authority, and of course, an unscrupulous provider is unlikely to agree to work with the local authority. Self-regulation could be a solution, but so far, the British Parking Association has not introduced an appeals process. It has a very small pilot scheme, but that has not been effective yet. It is therefore my pleasure to propose this motion.

Question put and agreed to.

Ordered,

That Henry Smith, Mr Mark Williams, Anne Marie Morris, Gareth Johnson and George Eustice present the Bill.

Henry Smith accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 4 February 2011, and to be printed (Bill 114).

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): On a point of order, Madam Deputy Speaker. Like my hon. Friend the Member for Walthamstow (Stella Creasy) and as a new Member, I am baffled by the actions of the Government and their Departments. My hon. Friend and I tabled questions for yesterday's Culture, Olympics, Media and Sport Question Time on the impact on participation in sport of the proposed abolition of schools sports partnerships. The questions were accepted by the Table Office and drawn in a ballot for oral answer. Subsequently, the Department for Culture, Media and Sport moved the questions to other Departments for answer, as you are aware, Madam Deputy Speaker. I have today received an answer to that original question from the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb). The reply is:

"I will reply as soon as possible."

Are the Government and Ministers, as my hon. Friend said yesterday, trying to park matters that they are too embarrassed to deal with—

Madam Deputy Speaker: Order. This is supposed to be a point of order, not a speech. I take it that the hon. Gentleman is complaining about his question being transferred at short notice from one Department to another. That is a matter of business for the Government, not the Chair. He is saying that he is expecting a prompt reply, and I am sure that Education Ministers sitting on the Front Bench have taken note of that and that they will make sure that he gets that reply—promptly.

Andrew Percy (Brigg and Goole) (Con): Further to that point of order, Madam Deputy Speaker. Hon. Members should have been made aware, because the process was set out to them, that if they have concerns about written questions, they should write to the Procedure Committee for us to consider.

Hon. Members: It was an oral question.

Madam Deputy Speaker: Order. I am sure the House is very grateful for that point of information, Mr Percy. It was not directly relevant to the point of order, but never mind.

Opposition Day

[7TH ALLOTTED DAY]

School Sports Funding

4.49 pm

Andy Burnham (Leigh) (Lab): I beg to move,

That this House congratulates the Youth Sport Trust on achieving major advances in youth sport over the past decade; believes that a good school sports policy must always be a combination of competition with coaching and opportunities for all to participate; notes that the number of young people doing two hours of sport a week has risen from 25 per cent. in 2002 to at least 90 per cent. last year, with over 1.6 million more young people involved in competitive sport between schools than in 2006; believes that removing funding for the Youth Sport Trust, cutting the specialist school status and dismantling School Sport Partnerships will undermine the Olympic legacy and the fight against obesity in young people; and therefore calls on the Government to reverse this decision, and to work with the Youth Sport Trust to find a solution that does not deprive children of the many health, wellbeing and educational advantages they gain from school sport.

We stand on the brink of arguably the biggest moment for sport in our country's history. This is a one-off chance to lift the place of sport in our society and inspire a new generation. Today is a good moment to remind ourselves why we won the right to host London 2012. With cross-party support, my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell) set challenging but achievable targets that included, by 2012, getting 2 million more people physically active, 1 million more playing sport regularly and 60% of young people doing at least five hours of sport a week. This is no time to lower those ambitions.

Huge progress has been made in the last decade and now we must build on it. I was struck by this quote from the Minister for Sport and the Olympics, made just one week after our success in Singapore. He said:

"I congratulate the Minister and his Department on the progress that has been made on school sport. Specialist sports colleges are proving to be a success—there is no doubt about that—and school sports partnerships likewise. The Youth Sport Trust, which I visited just before the election, is a fantastic organisation." —[*Official Report*, 14 July 2005; Vol. 436, c. 335WH.]

He is right: it is a fantastic organisation. We championed it in government, just as John Major championed it before us. We also built on his plans for elite sport. There has been a developing consensus on sports policy since John Major signalled a change in the early 1990s.

Mr Jim Cunningham (Coventry South) (Lab): Should we not remind the House that the Government's proposals are nothing new for them? In the 1980s, they did the same thing—they massacred sport, had schools sell off their playing fields, and cut support for youth activities. The economic crisis is not the reason for their activities now: they are back to their old bad habits.

Andy Burnham: I had the great misfortune to be in a Merseyside comprehensive under Maggie, and I remember after-school competitive sport vanishing with the teachers' dispute in the 1980s. Ever since, I have worked in politics to put school sport back on its feet. It is the right of every child to have good sport while at school, and it cannot be left to random chance and the occasional good will of teachers.

Andrew Bridgen (North West Leicestershire) (Con): Did not the Labour Government have a record of selling off playing fields? Any mention of that is a complete own goal for the Opposition.

Andy Burnham: What I will enjoy today is educating Conservative Members. When we came into government, we introduced rules on the sale of playing fields, which was to be allowed only if the proceeds from a small patch of the land were to be reinvested in higher quality sports facilities on the same land. The hon. Gentleman should check his facts, because that is what happened.

Mr Dennis Skinner (Bolsover) (Lab): On the question of selling off playing fields, does my right hon. Friend recall from his youth that most of the welfare playing fields were sold off because the Tories shut the pits and the playing fields followed suit—*[Laughter.]* In Tibshelf in my area, in a school that will now no longer be rebuilt, John Barker runs a schools sport partnership and has managed to get more than 90% of the kids to start playing sport again. What does he get in return? He gets the sack: he is one of the people who have lost their jobs because of this lot.

Andy Burnham: I noticed that when my hon. Friend made that impassioned contribution coalition Members laughed, because they have no understanding of what happened to communities such as his and mine in the 1990s, when the coal industry social welfare organisation tried to protect some of those facilities. Some are still there, but not all of them. Coalition Members have no understanding of the role of sport and how hard communities in former mining areas have fought to keep their sports provision.

There was a developing consensus, which was repeated just before the recent general election. A write-up of a Radio 5 Live debate appears on the Youth Sports Trust website and it says that, on school sport partnerships, Hugh Robertson said it would be wrong to dismantle "13 years of work" and, instead, "the party would build on" them. But that broad consensus has now been broken by the Secretary of State. School sport partnerships have joined a growing list of things that the Conservative party said it would protect in opposition, but has scrapped in government.

Let me make one thing clear: Labour Members would have understood if the Government had decided to reduce funding to school sport partnerships and the Youth Sport Trust, as long as they kept the basic school sport partnership infrastructure in place. What we are struggling with is having to accept the Secretary of State's decision to remove 100% of their funding and demolish an entire infrastructure and proven delivery system that is improving children's lives here and now. I cannot understand why he has done that.

The Secretary of State for Education (Michael Gove): The right hon. Gentleman said that he would be happy to reduce central funding for the Youth Sport Trust and the curriculum and support for sport. Will he tell the House by how much?

Andy Burnham: The right hon. Gentleman was not listening. I said that I would have accepted a reduction in funding to school sport partnerships. [HON. MEMBERS: "How much?"] I said on the media a couple of weeks ago that I would have accepted a reduction proportionate

to the reductions made around Government. It is for him to say how much would keep the school sport partnership system in place. [HON. MEMBERS: "How much?"] How much are hon. Members offering?

Michael Gove: Proportionate? Is that proportion a half, a third, 75% or 60%? Until we have clarity from the right hon. Gentleman, all we will have is an empty offer.

Andy Burnham: I will accept a package that keeps the basic infrastructure in place and keeps school sports co-ordinators in their jobs. I have said that I will accept a reduction, but it is the Secretary of State's job to put forward a package that does just that.

What the Secretary of State has done is a senseless act of vandalism defying all logic, leaving people speechless. The Australian sports commissioner has asked how this country could dismantle a "world-leading" school sport system. The chief executive of the Canadian Olympic committee has taken the unusual step of writing to the Secretary of State to ask how, months away from a home Olympics, we can have this wholesale change in sports policy. We have called this debate because we want the Government to listen, to change course and to protect a basic school sports structure before it breaks down.

Ms Karen Buck (Westminster North) (Lab): My right hon. Friend was very supportive of me in his previous incarnation at the Department for Culture, Media and Sport when I came to talk about school provision in inner London. Is he aware that the school sport partnership in the London borough of Westminster, which is set to lose £400,000 a year, has, since 2005, increased from 55% to 100% the number of young people taking part in at least two hours of sport a week, including the promotion of inter-school competition?

Andy Burnham: They are astonishing achievements, particularly in an area such as the one my hon. Friend represents, where traditionally there have been difficulties accessing good-quality sports provision. I remember those discussions. For the children living in that inner-city environment, that is an unbelievable achievement, and they should be congratulated on what they have done.

Ministers do not seem to understand why people feel hurt and angry. They use provocative language and selective figures, and they seem not to understand what has happened on the ground in their own constituencies—or, worse, they do know what has happened, but they are not prepared to acknowledge it because it does not fit with their political purpose. Either way, it is very bad. If it is the latter, it is appalling.

Mr Tobias Ellwood (Bournemouth East) (Con): One thing that is understood by Government Members is that £2.4 billion has been thrown at this issue, and we have not seen any results—*[Interruption.]* Let us consider the right hon. Gentleman's former Department. *[Interruption.]* On hockey, rugby, netball and gymnastics, the statistics show—*[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. *[Interruption.]* Order. When I stand up and say order, I expect every Member of the House to sit down, not to carry on shouting at each other across the Chamber.

Andy Burnham: It is an absolute disgrace for people such as the hon. Gentleman to stand up in the House today and say there have been no results from the school sport partnerships. Will he do me a favour and go and meet his school sport co-ordinators on Friday and repeat to their faces what he has just said in the House? I will be surprised if he is still standing after that.

Derek Twigg (Halton) (Lab): On disability sport in schools, my constituent Mark Eccleston is a full-time wheelchair user and a PE teacher at Chestnut Lodge, which is a school for children with complex physical and medical needs. He also won the silver medal at the 2004 Athens Paralympics and was No. 1 in the world in his sport. He says: "I feel strongly obliged to put in writing my thoughts regarding the Government's ridiculous and staggering decision. I'm not sure who advised the Government on this issue, but they are obviously not fully aware of the implications that such a decision will have on school sport in general, not to mention the destruction that it will cause to disability sport in our schools." Who will be listening—

Madam Deputy Speaker: Order. That was verging on a speech. May I remind Members that interventions are supposed to be brief?

Andy Burnham: My hon. Friend has just made the very point that if we are going to provide high quality sport to children and young people with disabilities, we need to provide it with an infrastructure. We need people working together to give kids the best possible opportunities, but that point is entirely lost on those on the Government Benches. Indeed, let us look at the language that they have used. The Children's Minister—I am glad he is here today—arrogantly dismissed school sport partnerships at the weekend as "centralised bureaucracy". In other words—this is what the Government think, and we heard it a moment ago—those involved are expendable, self-serving pen-pushers who have made a negligible impact on the lives of our children. That is what we are hearing from the Government. Nothing could be further from the truth. We are talking about an army of 3,200 people—positive, passionate, motivated people—who believe in the power of sport to change people's lives for the better. If nothing else, I hope that today they will at least hear some praise and recognition from those of us on the Opposition Benches for their efforts and that they feel cheered by that. I know that I speak for every Opposition Member when I say that we appreciate their commitment to young people and the contribution that they have made to the betterment of their communities.

Phil Wilson (Sedgefield) (Lab): I have received dozens of letters from children in schools in my constituency who have benefited from school sport partnerships. One junior school pupil, Demi-Leigh Hughes, has written to say:

> "In my opinion this is wrong! I have heard of some bad things, but this tops the lot".

The Government really do have a problem when it gets to the point where pupils—not their teachers or parents—are writing to Members.

Andy Burnham: My hon. Friend is absolutely right. There is a formidable force lining up against the Government, and the chorus of disapproval grows by the day. Today, 75 prominent Olympians and Paralympians have written to the Prime Minister in pretty strong terms, imploring him to think again, saying:

"We cannot stand by and watch as your government threatens to destroy any hopes this country has of delivering a genuine London 2012 Olympic and Paralympic legacy."

On Sunday, 60 head teachers wrote to *The Observer*. They were even more blunt, calling the decision

"ignorant, destructive...contradictory and self-defeating".

Otherwise, they probably thought it was okay. The decision is entirely unjustified, either educationally, professionally or logistically, or in terms of personal health and community well-being. As my hon. Friend said, opposition has united people across the ages. Next week, young people will come to Downing street with, we are told, a petition with 1 million names on it. If that does not make the Government sit up and take notice, nothing will.

Margaret Hodge (Barking) (Lab): Does my right hon. Friend agree that what we are witnessing in the House today is either a complete failure of joined-up government or sheer hypocrisy by the Government? We have just seen the launch of the public health White Paper, which says that one of the Government's aims is to take

"better care of our children's health and development",

which could "improve educational attainment," yet now we are debating the cutting of a proven programme that does just that. Is that not sheer hypocrisy?

Andy Burnham: The Health Secretary was on the airwaves this morning saying that we need more sport played in schools. Well, yeah. I never agreed very much with the current Health Secretary—we had our differences—but he was right to speak up in Cabinet against the Education Secretary. He had the courage to say that. As always, we see this Secretary of State failing to carry people with his decisions. He rushes out to make a decision, but does not carry his Cabinet colleagues with him. The mismatch between what the Government are saying in the public health White Paper and what we are debating now demonstrates that.

Mr Dave Watts (St Helens North) (Lab): Is it not clear that Ministers have no idea about sport? Looking at them across the Chamber, I think it is clear that none of them has played sport. I cannot see, for example, the Secretary of State joining the boxing club.

Andy Burnham: I shall turn to that issue in a moment.

Clive Efford (Eltham) (Lab): Does my right hon. Friend recognise the statistics that the Government have quoted when making their case for this cut? According to a departmental website, they have focused on inter-school competition in rugby, football and hockey. They do not even include tennis, despite the fact that the Prime Minister was the captain of the tennis team at his university. So they are using a very focused set of statistics to make their point, even though it bears little relation to reality.

Andy Burnham: I would go a little further than my hon. Friend. As I shall explain, I believe that the Government are abusing the statistics, and I say that having thought carefully about it. In my view, the Secretary Of State is abusing the statistics, and I will come back to that claim later.

Charlie Elphicke (Dover) (Con): I represent a former coal mining constituency as well, and I have spent time with partnership development co-ordinators. Is not the heart of the right hon. Gentleman's argument that he does not fundamentally trust head teachers to take forward school sports?

Andy Burnham: May I politely refer the hon. Gentleman to the letter that head teachers sent to *The Observer* at the weekend? I know that the Secretary of State has been inundated with letters from head teachers who say that the whole infrastructure saves them money and time, because they do not have to organise expert coaching and competition themselves. I think that the hon. Gentleman will find that head teachers strongly support the present system.

Henry Smith (Crawley) (Con) *rose—*

Andy Burnham: I want to make some progress.

I have mentioned the names of those who are lining up against the Government. They are not people who want to score points; they are fighting for something in which they passionately believe. Until now, the Government have dug in and patronised people with bogus statistics, but this is now turning into a real test for them. Are they prepared to listen and to change course?

Today, I am setting four clear objectives for the debate. The first is to probe the background to this decision. The second is to test the figures that the Government have used and to find out whether they stand by them. The third is to obtain clarity on what has happened to school sport funding. Fourthly, and most importantly, I want to make the Secretary of State a genuine offer that will help us to re-establish the consensus on school sports as we head towards a home Olympics.

Let me start with the decision-making process. We admire the erudition that the Secretary of State brings to our proceedings. Mr Lansley never quoted Dryden to me, and I really admired that about the Secretary of State for Education, but let me extend his cultural references today. How about Defoe? I know that he is thinking "Daniel", but I want to know what he thinks about—

Michael Gove: Jermaine.

Andy Burnham: Thank you very much. I am glad that the right hon. Gentleman has been revising over the weekend. What does he think about the work that Spurs and other clubs do with schools? We never hear him talk about sport; let us hear him talk about it. And what does he think about Strauss? Is he thinking "Johann"? I think he was, actually, but I want to tempt him to talk about Andrew today, and about the excellent Chance to Shine initiative. I want to know that he knows about these things, and that he values them.

I also want to know what sport means to the right hon. Gentleman. Last week, he goaded me about my drama career at school. I have looked up his school sports career. It did not take long. One article on him mentions it:

"In 1979, he won a scholarship to Robert Gordon's school in Aberdeen, where he spent the next seven years excelling in every subject, except sport."

There was also a lovely quote from Mrs Gove, his mum:

"When he had finished all his school work, he would more or less revert to reading his encyclopaedia".

[HON. MEMBERS: "Aah!"] It is a lovely image, but it worried me. Did he ever use the encyclopaedia as a goalpost, or anything like that? Stumps? Anyway, that worried me a little. It also made me wonder—so inexplicable is his decision on this matter—whether this whole thing might be Gove's revenge. I get the distinct impression that he harbours some unpleasant memories of his own sporting experiences at school, and that he is lashing out at the school sport system, now that he has the chance to do so. I hope that that is not the case, however.

I have an invitation for the right hon. Gentleman. Let us get our tracksuits and our trainers on—I will lend him some if he has not got any—and go to see the school sport co-ordinators in my constituency. The Children's Minister can come, too. If the Secretary of State comes with me to meet the school sport co-ordinators in Wigan, and if he looks them in the eye and calls them a centralised bureaucracy, we shall see what is left of him afterwards.

I also want the Secretary of State to explain a mystery to me. Week after week, he addresses Members on both sides of the House with unfailing courtesy, but that courtesy seems to have deserted him in dealing with this row. Sue Campbell—Baroness Campbell of Loughborough—is a world authority on school sport. She has given a lifetime of energy and passion to the subject. Surely someone of such stature, with decades of service, should have earned at least a hearing. Will the Secretary of State explain why he refused the many requests from Lady Campbell and the Youth Sport Trust for him to discuss funding before the spending review? It really is not good enough. Why did the Secretary of State wait until the day of the spending review to send Lady Campbell a curt and dismissive letter dispensing with the services of the Youth Sport Trust? Why did a man who is so polite and courteous act in such a way?

That brings me to my second purpose today: to challenge the bogus claims that the Secretary of State and other Ministers are making. We have heard an incredible abuse of statistics as they have thrashed around trying to find an argument. Let us set the record straight on three claims. This is claim one. The Government have said that school sport partnerships are ineffective because in the

"last year the proportion of 11 to 15-year-olds playing sport went down."—[*Official Report*, 24 November 2010; Vol. 519, c. 259.]

The Government's source for that is the "Taking Part" survey, which asks people in all age groups whether they have engaged in sport in the last seven days and in the last four weeks.

It is true that on the seven-day test the percentage of 11-to-15-year-olds engaging in active sport dropped from 88.8% to—wait for it—88%. That is a statistically negligible fall in a figure that has shot up since school sport partnerships were established. What the Government do not cite, however, is the four-week figure in the same survey. The percentage of 11-to-15-year-olds engaging in sport in the last four weeks rose from 96% to 96.7%, and, according to statisticians, that is the more important figure. It is estimated that in 2002 only 25% of young people engaged in two or more hours of competitive sport each week, whereas more than 90% do so now.

Let us now consider the survey that deals only with school sport, rather than the "Taking Part" survey. In each year group represented by 11 to 15-year-olds, the percentage engaging in at least three hours of sport each week has risen. In year 7, the rise was 59% this year, compared to 53% last year. In year 8, it was 54% compared to 50% last year. In year 9, it was 49% compared to 44% last year. In year 10, it was 45% compared to 42% last year. On the Government's first claim, it is "case dismissed".

The second claim is that there is not enough competitive sport, and that only one in five young people are playing it regularly against other schools. That is the claim that needles me most. I bow to no one in my support for competitive sport, having played it all my life.

Angela Smith (Penistone and Stocksbridge) (Lab): Jada Anderson is a young athlete in my constituency who was spotted by Jonathan Edwards and is training alongside world champion Jessica Ennis. Her mother writes:

"Where and how else would my daughter have had the opportunity to realize her sporting potential... without the massive help from our local School Sports Partnerships?"

Does that not nail the lie that there is no link between those partnerships and competitive sport?

Andy Burnham: It certainly does. Such stories, much more than statistics, illustrate the success of what has been achieved.

I felt a raw injustice on this issue because I saw that such opportunities were not available in the 1980s, although they are the right of all young people. When I came into politics, I wanted to do something about it. As an adviser to the then Secretary of State for Culture, Media and Sport, Chris Smith, I encouraged him to set up a lottery programme under the New Opportunities Fund called "active sports co-ordinators". It was the start of the school sports programme. A BBC report in 1999 said:

"The first wave of sports co-ordinators to boost competitive sports in schools will be in place within the next year".

It is a total myth to say that they have not boosted competitive sport. They have succeeded in that regard.

The coalition says that only one in five pupils play inter-school competitive sport regularly—that is, nine times a year. I have two comments to make. First, that represents a big increase on the proportion many years ago. In itself, it is an impressive figure. However, it is only part of the story. Last year, 49% of children took part in inter-school competition, playing on at least one occasion. There was also a large increase in the number of pupils taking part in intra-school competition: it rose from 69% in the preceding year to 78%.

Kate Green (Stretford and Urmston) (Lab): Does my right hon. Friend agree with Rachel Redmond, partnership development manager of the North Trafford school sport partnership, that such partnerships have not only increased the level of activity in competitive sport, but improved quality through access to high-quality coaching and facilities?

Andy Burnham: I could not agree more, and that is the basis of a good sports policy—not competition on its own, but coaching and competition together.

In my quest to educate the Education Secretary about sport, I want him to take two simple messages away from today's debate. First, not everyone can play for the first team or even the second team, as he may remember from his own school days. Secondly, a proper sports policy cannot be based on competition alone; it must be supported by coaching. A policy based on competition alone is a policy for the few, not the many.

Chris Bryant (Rhondda) (Lab): I pay tribute to the work done by my right hon. Friend, particularly in respect of swimming. For many, swimming is not a competitive sport, but it is also the only sport in Britain with equal participation by girls and boys. Is not one of the dangerous aspects of the Government's announcement today that it is being accompanied by enormous cuts in local authority funding? That is likely to lead to a reduction in the number of swimming pools in this country.

Andy Burnham: That is a huge worry, and I would add to that the axing of the free swimming programme. That began in Wales, which is where we got the inspiration from: young people under the age of 16 able to swim for free. That has been axed by the coalition.

Mr Chuka Umunna (Streatham) (Lab): My right hon. Friend has referred to the figure that I think the Prime Minister gave at Prime Minister's questions last week of two in five pupils playing competitive sports regularly in school. I put that to the co-ordinators of the school sport partnership in my area, and they said: "The statistics around competition which Gove and Cameron are continually referring to are misleading. To be regarded as a regular competitor in primary schools pupils would have to have been involved in nine separate competitions, and at secondary school 12, so those pupils playing one to eight times don't fall into that category."

Andy Burnham: My hon. Friend is absolutely right, and may I refer him to Barrie Houlihan, professor of sport at Loughborough university and the lead evaluator of the school sport partnerships programme? He wrote about the Prime Minister's remarks from the Dispatch Box last week, and they are amazing comments to make about what was said by a Prime Minister at Prime Minister's Question Time. Professor Houlihan said that there was

"a selective use of statistics"

a selective use of statistics from the Dispatch Box by the Prime Minister!

Moving on to the third claim, the Prime Minister said that SSPs had failed because there was a decline in rugby union, netball, hockey and gymnastics. Again, that shows that the Government have no idea what they are talking about. The decline in those sports was minimal, and the reason for it was that schools are now providing, on average, 19 different sports, compared with 14 in 2006. There seems to be no appreciation of that huge change.

On the three central claims the Government have made therefore, the figures speak for themselves. Their claims are summarily dismissed as nonsense.

Bill Esterson (Sefton Central) (Lab): Will my right hon. Friend comment on the increase in the take-up of club sport by young people and the link between that and the investment in SSPs? The figures show that there been an increase not only in school sport participation, but in club sport, which gives the lie to what the Government are saying about the impact of SSPs.

Andy Burnham: Anyone who has dealt with sports policy knows that this has been the key issue we have been working to crack. I pay tribute to my hon. Friend the Member for Bradford South (Mr Sutcliffe) for working so hard on it, by not only getting kids to play sport in schools but then encouraging them into the clubs at weekends and in the evenings. The figures show that links between schools and local clubs have increased significantly. It is very important to raise that point, and, again, it seems to be lost on the Government.

Dr Andrew Murrison (South West Wiltshire) (Con): The right hon. Gentleman is right to laud club sport; it is very important and it largely happens outwith school. Will he therefore acknowledge the changes to lottery rules under this Government that mean that 20% of lottery receipts will now go to sport, unlike under his Government where that withered?

Andy Burnham: I reject that out of hand, because what happened was—*[Interruption.]* If Members will listen for a moment, what happened was, when we came into government in 1997 we established something called the New Opportunities Fund—I have already referred to it. It allowed for the spending of lottery money in statutory premises—in hospitals and schools. That is what the public wanted. That fund, which was additional to the sports lottery fund, paid for the first generation of active sports co-ordinators. So that shows, again, that this Government are making statements and claims about which they have no knowledge whatsoever.

The Culture Secretary stood at that Dispatch Box yesterday and told my hon. Friend the Member for Bury South (Mr Lewis) that

"in year 7, four in five children are not playing sport at all."—[*Official Report*, 29 November 2010; Vol. 519, c. 520.]

That is simply wrong; it is an outrageous abuse of statistics. Will the Education Secretary apologise for these erroneous claims that Ministers continue to make? Will he set the record straight? Has any civil servant warned him or his Ministers, or Ministers in other Departments, about the way in which they are presenting these figures? I do not expect a straight answer from him on that question, but I can tell him that I will be writing to the UK Statistics Authority asking it to comment on the public presentation of statistics in this area by Ministers because I believe it to be woeful.

Bob Russell (Colchester) (LD): If the shadow Secretary of State is seeking consensus, as I am sure he is, will he reflect on whether the tone of his speech today is helpful? On Friday, in advance of his speech, I met the school sport partnership co-ordinator for the Colchester academy and I was very impressed. I want this approach to continue, and I want there to be an accommodation and consensus. The shadow Secretary of State is not helping the argument. Let us have a grown-up debate, let us be sensible and let us stop the cat-calls.

Andy Burnham: If the hon. Gentleman spoke to those school sports co-ordinators, he will have found that they are pretty hurt and pretty angry. He just nodded at that, so is it not right that I reflect some of that feeling in this House this afternoon? Is it not right that I give a voice to those 3,200 people, who cannot stand here, and put across the passion that they feel about the young people with whom they are working. *[Interruption.]* I am coming to a positive proposal. I feel passionately about this, but I also want a way forward and it is all about whether people are prepared to listen. We cannot get everything that we want, but I am prepared to negotiate and to compromise—I hope that the same applies to those on both sides of the House.

Andrew Percy (Brigg and Goole) (Con) *rose—*

Andy Burnham: I will give way one last time, then I will finish my remarks.

Andrew Percy: I certainly think that school sport partnerships have done some excellent work in my area. I have spoken to school sports co-ordinators and to head teachers and it is fair to say that head teachers and deputy head teachers have a range of views on the effectiveness of the partnerships and how valuable they have been in their area. Does the right hon. Gentleman agree that if they have been doing work in the way that he has outlined, it will still be possible for those head teachers and those schools to work in partnerships to produce just the same things that have happened before?

Andy Burnham: I have heard what the hon. Gentleman said and his comment that the partnerships have done excellent work stands in stark contrast to the position of his Front-Bench team. He is just giving head teachers a prescription for more work and more bureaucracy; they will have to rush around on their own trying to find the coaches. The current system works, so why is the Education Secretary dismantling it?

The Government and the right hon. Gentleman have talked themselves into a mess—not for the first time. The spin just does not end. He says that school sport partnerships will be replaced by an Olympic-style school sport competition, but there are two problems with that statement. First, such a competition is no substitute for year-round sport in all schools for all children, and secondly, such a competition already exists; it is called the UK school games and it has been in place since 2006.

We are getting to the heart of the matter now: the right hon. Gentleman's mishandling of his budget. There is now real confusion about whether this money for school sport has been cut or de-ring-fenced, as Ministers have been saying. He says that we should give money to schools and let them decide, but yesterday his schools Minister, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), said of the Youth Sport Trust grant:

"The money saved will not be fed through the Dedicated Schools Grant"—[*Official Report*, 29 November 2010; Vol. 519, c. 532W.]

So which is it? Will head teachers be able to find this money or not? Will it be in their budgets? Is it not the case that schools will be asked to pay for sport themselves, as well as for many other things that they currently get for free? Is this not a false economy, as those services can often be provided more cheaply through the economies of scale that come from providing a service across a whole area with the expert support of a national body such as the Youth Sport Trust?

All this will not take us out of the impasse, which brings me to my final point, which is a genuine suggestion about how to take things forward. As in any sporting dispute, we need an independent referee. I suggest that in this case we bring in thousands of them. Surely the best way to resolve this argument is to ask the head teachers of this country about the effectiveness of school sport partnerships. A simple question could be put to them in a survey: would they prefer a funding package to be found to maintain the SSP infrastructure or would they prefer to have each to their own and the freedom to decide? I can tell the Secretary of State today that I have received an offer from a reputable firm to do a survey for free, which I shall share with him. I urge him to take that offer forward, as long as he consults the Opposition on the questions that would be asked. I believe that he would find it helpful as it might shed new light on the misplaced suspicion that lies at the heart of his policy pronouncements. He seems to distrust any system of collective or central support for schools. He nods at that, and I am disappointed about that because there is an ideological problem here.

The drift of the right hon. Gentleman's policy is towards a more atomised school system, where schools become walled gardens and do their own thing, competing fiercely, and where collaboration is frowned upon. That vision conflicts with the idea of providing excellence and specialist provision to all children, as it becomes more costly and complicated when schools go it alone. Sport needs central organisation, particularly competitive league and cup competitions, and there are also only so many qualified coaches. To give children access to the best, it is easier to work together across a defined area and to share resources. Far from being bureaucratic, it reduces the bureaucracy on schools. If they were left to do it all themselves, more time would be spent on it and the quality would not be as good.

Today, I can tell the hon. Member for Colchester (Bob Russell) that I have given the Secretary of State a solution that fits the White Paper that the Secretary of State published last week. Let the heads decide—it is a simple proposal.

In conclusion, we have built up a school sports system in this country that works. Thousands of people have built it up with blood, sweat and tears. They have worked hard at it because they believe passionately in what they do. The Under-Secretary of State for Education, the hon. Member for East Worthing and Shoreham (Tim Loughton) laughs at that and in doing so he denigrates their commitment. I do not often implore anyone to do anything, but I am imploring the Secretary of State today to keep the basic school sport partnership structure in place. When I think of all the positive energy that will dissipate if they are broken down, it makes me want to weep.

My own life has told me that good school sport must be a right for every single child in this country. It raises academic standards, builds strong schools with a sense

[Andy Burnham]

of identity and togetherness and builds well-rounded children. For some young people—perhaps the less academically minded in the class—the day they go to school with their boots in their bag is the day they have a spring in their step and a bit of hope in their heart. Let us not take that away from them. I commend the motion to the House.

5.27 pm

The Secretary of State for Education (Michael Gove): I am grateful to the right hon. Member for Leigh (Andy Burnham) for making his case with characteristic passion, reflecting the years of experience that he has devoted to ensuring that sport plays a proper part in the life of the nation as both Secretary of State for Culture, Media and Sport and a special adviser before that. No one could doubt his passion or commitment. Indeed, they animated every word that he spoke. I recognise that in calling for this Opposition day debate he is doing more than just making a political point. He speaks from the heart, and I appreciate the fervour with which he makes his case. I know—I share the feelings of my hon. Friend the Member for Colchester (Bob Russell)—that when, occasionally, that passion takes a rawer edge, it comes from an individual who cares deeply about the sporting infrastructure in this country. For that reason, I make no criticism of the manner in which the right hon. Gentleman made his case.

I also think that it is appropriate to acknowledge that across the House there are individuals who are committed to ensuring that we support the place of sport not just in our schools but in the life of our nation. Distinguished former sports Ministers on the Opposition Benches and individuals on the Government Benches, although they might disagree about the delivery mechanism, share something of the passion exhibited by the right hon. Gentleman in his speech.

In responding to the right hon. Gentleman's strong case, I want to try to lower the temperature and to analyse the situation that we have inherited. Of course, we must consider the facts and the statistics against the backdrop of the difficult economic position that the Government inherited. *[Interruption.]* I know that Opposition Members would like to put that part of the debate to one side, but for those of us in government it is impossible to consider the decisions that have to be taken in schools across the country without being aware of the dire financial position that the Government inherited.

Several hon. Members *rose—*

Michael Gove: I shall come to some of those interventions in a second.

Every option that is proposed by the Opposition, whatever the passion or fervour behind it, has to have a price tag. In the middle of his speech, the right hon. Gentleman acknowledged that the current delivery mechanism might not be as efficient as it could be and that there might be room for reduction. He said specifically that he would accept a cut or a proportionate reduction that would retain the infrastructure, so he acknowledges that it is perfectly possible to reduce spending and retain the infrastructure, but when I asked him how much of a cut and what would retain the infrastructure he was curiously silent. I would be very interested to hear from any of the Opposition Members who care so much about this—I do not doubt their passion—what level of cut they would contemplate and what they would consider to be a robust infrastructure to be kept in place. We have not had an answer on that.

Andy Burnham: If the right hon. Gentleman is prepared seriously to discuss retaining school sport partnerships, I will sit down with him and discuss at what level they could be kept in place and funded. The Opposition would support him if he put forward a figure that would keep them in place. If that is the offer he is making, I will sit down with him tonight to discuss it.

Michael Gove: I am always very grateful to sit down with the right hon. Gentleman, but he called this debate now. It is a debate of his timing, not mine, and he said in his opening remarks that he would be prepared to accept a cut. Now he has had an opportunity to state what that would be, but we do not know; there is silence on this issue.

Several hon. Members *rose—*

Michael Gove: As the right hon. Gentleman cannot answer the question, perhaps one of his hon. Friends might.

Clive Efford: The Secretary of State has referred to the £162 million figure both in his letter to Sue Campbell about the cut in school sport partnerships and on the departmental website. What proportion of that money is to be transferred? He says that the policy has been brought about as a result of the economic situation, so exactly how much of that £162 million is he cutting?

Michael Gove: At the moment, we are looking to see exactly how much we can devote to sport, music, science, languages and all those specific areas of curriculum support that are outside the school budget. We have increased overall school funding by £3.6 billion.

Mr David Winnick (Walsall North) (Lab): Will the Secretary of State bear in mind the adverse effect that his policy will have on a number of schools? I have received a letter from the head of a sports college in my constituency in which fine academic and sporting work is done. The head is very concerned about what the impact will be—starting next year. What is the Secretary of State going to do to reassure people like her? She is dedicated to teaching and is rightly worried about how her school will be affected.

Michael Gove: The hon. Gentleman makes his point very well. I am sensitive to the fact that teachers and head teachers across the country are entering difficult times in respect not just of sport funding but of overall funding. The economic situation was not of the making of Government Members, but we are doing everything

we can to help schools through this difficult time. One thing we are doing is removing ring-fencing. If he was referring to a specialist sports college, that will mean money that was hitherto ring-fenced as part of its specialist status now going directly to that head teacher, who I am sure is doing an excellent job. If she has, as I am sure she has, his confidence and mine, that money will be spent in a wise fashion.

Several hon. Members *rose—*

Michael Gove: I am keen to make progress, but I shall be happy to give way to a number of hon. Gentlemen on both sides of the House in due course. *[Interruption.]* I am even happier to give way to hon. Ladies and right hon. Ladies on both sides of the House.

We know that £2.4 billion was spent by the last Government on delivering their sport strategy. Our contention is that although much good work was done, that money was not spent as effectively and efficiently as it should have been. In the letter I wrote to Baroness Campbell, which the right hon. Member for Leigh referred to as "curt", even though it was four and a half pages of prose, I outlined my gratitude to her for the work she had done. Earlier, the hon. Member for Dudley North (Ian Austin) suggested from a sedentary position that I should have met Baroness Campbell. I had the opportunity of meeting her—indeed, of having dinner with her—before I became Secretary of State. I also had the opportunity of talking to John Beckwith, one of the supporters of the Youth Sport Trust, and with the Under-Secretary of State for Education, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), I had the opportunity of assessing the work of the trust. My hon. Friend had the opportunity of meeting Baroness Campbell on three occasions before we made our decision in the comprehensive spending review.

One of the questions that was in my mind was whether we were ensuring that enough was spent on the front line under the current structure. The right hon. Gentleman said that he would support the investment required to retain the infrastructure, but he did not specify what it was. Let me share with the House some of the details of the infrastructure. At present, we have 450 partnership development managers and 225 competition managers. On top of that, there are senior competition managers and on top of that, 11 regional development managers, and on top of that three national development managers. They work alongside the county sport partnerships and the national governing bodies of each sport. How many of those posts are essential to the delivery of an effective school sport offer?

Mr Ben Bradshaw (Exeter) (Lab): Does the Secretary of State recognise that the people he has just mentioned save schools time and money? What would he say to Kealey Sherwood, the director of sport at St Luke's school in my constituency, about the £300,000 cut to my local partnership? She said:

"We are devastated. There is a real danger that at an exciting time for sport in Britain, all will be destroyed."

What does the Secretary of State say to her?

Michael Gove: I am grateful to Kealey Sherwood for the commitment she shows. I am also grateful to the right hon. Gentleman for the work he did when he was Secretary of State for Culture, Media and Sport, but I have a question, which most people would consider fair-minded. If Opposition Members would like to maintain the infrastructure entirely intact, how much are they prepared to take from other budgets to do that, or if they agree with the right hon. Member for Leigh that a cut is possible to maintain the infrastructure, what level of cut would it be? Which of the posts is dispensable?

Mr Gerry Sutcliffe (Bradford South) (Lab) *rose—*

Michael Gove: I am happy to give way to the hon. Gentleman, who is a former sports Minister.

Mr Sutcliffe: The Secretary of State talked about the national governing bodies. The infrastructure is the school sport partnerships working with the national governing bodies to deliver their whole sport plans. If he is serious about finding a way through, has he had any discussion with his hon. Friend the Member for Bath (Mr Foster) about why that infrastructure is so important? Has he had any discussions with his hon. Friend about the way forward?

Michael Gove: I am fortunate enough to have had a number of discussions with my hon. Friend the Member for Bath, and one of the points that he has made to me is that although many people working in the network and the infrastructure are doing a fantastic job, which I happily acknowledge—I am glad to have the opportunity this debate affords me to stress that—it is also the case that the quality of delivery can be variable. It is important that we audit how the infrastructure is performing, and that we ensure that money is spent proportionately.

Several hon. Members *rose—*

Michael Gove: I shall give way to the hon. Members for Stoke-on-Trent North (Joan Walley) and for Penistone and Stocksbridge (Angela Smith), but then I want to make some progress.

Joan Walley (Stoke-on-Trent North) (Lab): Is the Secretary of State not in danger of throwing the baby out with the bathwater? In my school sport partnership in North Stoke, we have transformed participation in sport. He asked how much our shadow Secretary of State wished to cut the budget by, but it is not a question of how much—it is a question of keeping the infrastructure. Can we for once use Parliament as a means of finding a solution to how we get sport in schools and in our communities? Will the Secretary of State continue his contribution in that spirit?

Michael Gove: I am grateful to the hon. Lady for the fair point she makes. I chose to begin my remarks by making it clear that I wished to operate constructively. I should like to ask some questions to ensure that we have a proper informed debate about the successes, and about the areas where the current strategy may not have been delivering the value for money we wanted.

Angela Smith: Will the right hon. Gentleman consider the comments of a teacher from Silkstone primary school in my constituency who said that staff at his school had benefited from the excellent training courses presented by their SSP? He continued:

"Staff development has allowed colleagues to learn many new skills...This has been central to our ability to develop the whole child and focus on enjoyment and excellence."

[Angela Smith]

Will the Secretary of State reconsider the comments that he has just made and admit that the partnerships work very well in schools, not just on sport, but on many facets?

Michael Gove: I have enormous respect for the hon. Lady and the way that she makes her point. As I stressed earlier, and as her intervention gives me the opportunity to underline, there are many parts of the country where those who are working in school sports partnerships are doing a great job, but my task as Secretary of State is to analyse the current infrastructure and ensure that we are getting the maximum value for money, where good practice exists to support it, and where practice is less than optimal to try to find a way through to ensure that we have better value for money.

Andy Burnham *rose—*

Michael Gove: I am happy to give way to the right hon. Gentleman. We are still waiting for the answer to the question what is a proportionate reduction.

Andy Burnham: The right hon. Gentleman is giving a lot of encouraging signs that he is prepared to look at the system and make it more efficient. I am not arguing that it is perfect. Of course it could probably be made more efficient, but can we make some genuine progress? Will he sit down with me and discuss how we can keep in place enough people on the ground to provide a decent enough sporting offer to children? I will accept the reduction in the funding if he will agree to sit down and talk about the current structure, rather than creating a whole new and different structure that will not deliver for children.

Michael Gove: I am grateful to the right hon. Gentleman for that offer and I am always happy to work in a consensual way, but I should like to lay out some facts which will, I hope, allow the House to have an informed debate. I will take the opportunity, of course, to talk to him, formally or informally, at any point on any aspect of policy, but it is important that we appreciate that he has acknowledged that a proportionate reduction is appropriate. He has not yet come forward with what that proportionate reduction would be. Let us go on to examine the scope for reduction.

Several hon. Members *rose—*

Michael Gove: I should like to make a little progress. I know that the right hon. Member for Barking (Margaret Hodge) and the hon. Member for Eltham (Clive Efford) are keen to intervene, but a number of my colleagues on the Government Benches have not had a chance yet, so it would be only fair and sporting if I were to give them a chance as well.

Charlie Elphicke: Does my right hon. Friend agree that the key issue is not whether we have one organisation or another, but to raise the number of hours a week of sport played by children in their schools? Will he consider encouraging that more through the national curriculum?

Michael Gove: My hon. Friend makes a good point. For me, the most important thing is outputs, not inputs.

Gavin Barwell (Croydon Central) (Con): There seems to be a consensus that the quality across the country is variable. My right hon. Friend made the point that an audit was needed to look at what works and what does not work so well. The previous Government spent £2.4 billion on that. Will my right hon. Friend tell us whether he inherited any audit of how that money has worked?

Michael Gove: I am grateful to my hon. Friend for making that point. It is important that we look at the existing infrastructure and what it has delivered. Many of the people who are doing the job of partnership development manager are utterly committed to improving the sporting offer for young people, but I worry that the structure within which they work does not allow them to do what is best.

Much of the job description of a partnership development manager depends on full-time strategic management, developing an ongoing self-review document, advocating the priorities of the partnership within wider strategic frameworks, establishing robust data-tracking and monitoring systems, and promoting the benefits and successes of the partnership. There is inadequate space in the job description for doing what the right hon. Member for Leigh did so well—making the case for improved participation in sport with fervour and passion. *[Interruption.]* He says, "Let's change it." I agree. We are changing it. He had the opportunity when he was in power; he did not do so. Now he is happy to do so. I am happy to see this movement. The Opposition are happy to acknowledge that we can reduce the amount that is being spent, and happy to acknowledge that there has been too much bureaucracy for partnership development managers. I am delighted to acknowledge that.

The same applies to the role of competition managers. It is vital that we encourage more school competition, but one of the problems is that there is another layer of bureaucracy. What is the role of a competition manager? It is a full-time position responsible for modernising the competition landscape. One has to work strategically with the partnership development manager, manage and co-ordinate the monitoring and evaluation of projects and fulfil local and national data collection requirements. Again, all those take away from the central task of promoting sport with fervour and passion.

The data requirements—

Several hon. Members *rose—*

Michael Gove: I am sharing some facts with the House.

The data requirements for school sport partnerships are exemplified in the school sport partnership self-review tool. We all know how onerous tick-box exercises can be, and that exercise has 115 boxes to tick. Every moment spent looking at the self-review tool is a moment that could be spent coaching, inspiring and acting to ensure that more children take part in sport, but unfortunately there is too much bureaucracy.

Simon Danczuk (Rochdale) (Lab): Will the right hon. Gentleman give way?

Michael Gove: In a second.

In the same way, we acknowledge that the Youth Sport Trust—Baroness Campbell, Steve Grainger and their team—has done a lot of good work, but one question I ask about their organisation is: did the way in which the previous Government managed it necessarily make the most of its talents? With the Youth Sport Trust, we have to ask: was it encouraged sufficiently to find outside sources of funding? Only 15% or so of its funding came from private or independent sources; 85% of it came from the state, and that cannot be an entirely healthy position for any charity. Indeed, large sums were committed to administration; £340,000 was spent on communications, and £400,000 was given to one private sector company to manage the school sport partnerships outside the trust. Was that the best use of money?

Mr Nick Raynsford (Greenwich and Woolwich) (Lab) *rose—*

Simon Danczuk *rose—*

Michael Gove: I am very happy to make way for the right hon. Member for Greenwich and Woolwich (Mr Raynsford). I do not know whether any of those are aspects of bureaucracy that he would be willing to defend.

Mr Raynsford: I am grateful to the Secretary of State for giving way, because I will tell him of 70 simple facts that illustrate the effectiveness of the scheme—and of the competition manager in my constituency who wrote to me about this matter. The 70 are the 70 primary schools in Greenwich, every single one of which takes part in an annual sportathon that gives thousands of children an opportunity to participate on a site that will become an Olympic site in 2012. What is wrong with that? Will the right hon. Gentleman now recognise that he has made a terrible mistake and must now negotiate with the Opposition to reach a solution?

Michael Gove: The right hon. Gentleman once again reflects with passion the interests of his constituency, and as ever he brings to our debate an understanding of its landscape, but the thing I have to say—*[Interruption.]* There is a sedentary intervention from the Opposition Chief Whip, the right hon. Member for Doncaster Central (Ms Winterton). If she wants to make a point, I shall be delighted to hear one, but in the meantime I shall reply to the right hon. Gentleman.

Nothing in our proposals means that any primary school would lose out on an opportunity to take part in competitive sport. Everything that we are about relates to ensuring that the money that we spend in schools and on school sport is spent more effectively.

Clive Efford: Will the right hon. Gentleman give way?

Michael Gove: I have been generous in giving way, and I should like to give way to some of the gentlemen and ladies on my own side who are anxious to make a point.

Paul Maynard (Blackpool North and Cleveleys) (Con) *rose—*

Michael Gove: I should like to give way to my hon. Friend first.

Paul Maynard: We have heard a lot from the Opposition about infrastructure, and my right hon. Friend has told us a lot about bureaucracy, which I think is what they mean by infrastructure. Will he give me his view on the extra bureaucracy required for disabled children to access sport? Under the current structure, their schools face much greater hurdles than many others.

Michael Gove: My hon. Friend makes a very good point. As we know, he is utterly committed to ensuring appropriate provision for children who are living with disabilities, and I want to ensure that we get the spirit of both the Olympic and the Paralympic games into our schools. A lot of good work is going on, and I want to ensure that the money that we spend in future is targeted, in particular, at schools which often have a large number of children who are living with disabilities.

Lyn Brown (West Ham) (Lab): Will the right hon. Gentleman give way?

Michael Gove: I am just answering my hon. Friend's point.

I want to ensure that those schools get the support that they need.

Several hon. Members *rose—*

Michael Gove: I am very happy to give way to my hon. Friend the Member for Stroud (Neil Carmichael).

Neil Carmichael (Stroud) (Con): Does the Secretary of State agree that my children are much the same as others, in that they do not cry out for more infrastructure and bureaucracy when they talk about sport? What they really benefit from is local people giving them leadership and encouragement, which they get—but not through infrastructure and bureaucracy.

Michael Gove: My hon. Friend makes a very good point.

Lyn Brown *rose—*

Michael Gove: It is important that we ensure that the very many Back Benchers who have not yet intervened but want to contribute have a chance to do so, and I should like to make some progress. With respect to the hon. Lady, there may be room for some interventions later.

I have talked about the nature of the bureaucracy. It is also important to talk about the nature of what has been delivered. It is important to recognise that, yes, there have been improvements, but they must be put into this context: £2.4 billion spent, and what have we seen for it? The right hon. Member for Leigh chided me in saying that in his view there had been an abuse of statistics. Well, the motion refers, I think, to 22% of children taking part in sports in 2002 and 90% doing so now. I have to point out to him that that is an abuse of statistics. The 22% figure was an estimate by Ofsted; 90% is a figure from a genuine survey. The first survey of involvement in school sports, in 2003-04, showed

[Michael Gove]

that more than 60% were already taking part. Yes, that is an improvement—I am happy to acknowledge it—but what we have seen is a manipulation of statistics for political purposes. I am happy to forgive the right hon. Gentleman, but let us be clear that he was not comparing like with like.

Bob Russell: I am disappointed that the Secretary of State is now going down the route that I was trying to avoid. On Friday afternoon, I met Zoe Ford of Colchester academy, who is in charge of co-ordinating seven primary schools, and she told me that this project has been a great success. Forget the figures—will he come to Colchester and meet this young lady, who can prove to him how successful this has been?

Michael Gove: I am grateful to my hon. Friend, who makes a very good point. I am always disappointed when I go down a path that he does not approve of, and I appreciate the importance of my visiting Colchester, as have previous Secretaries of State. I again take the opportunity to underline that in some areas of the country many of those involved in the delivery of school sports are doing a fantastic job. Given everything that he says, I suspect that Colchester is one of them.

It is important to recognise that, as the right hon. Member for Leigh acknowledged, the picture is not perfect—far from it. Looking at the figures on the sports where participation has fallen and the number of schools offering particular sports, it is an unarguable fact that after the commitment of £2.4 billion, the numbers of people taking part in gymnastics, rounders and netball have fallen, and the number of schools offering hockey and rugby union has fallen. For the benefit of the hon. Member for Rhondda (Chris Bryant), I have to say that the number of schools offering swimming has not changed—it was 84% in 2003-04, before £2.4 billion was spent, and it is 84% now. There has been no increase in participation in a significant number of sports.

Liz Kendall (Leicester West) (Lab) *rose—*

Michael Gove: I will not give way at this stage.

As well as a fall in the number of schools offering these sports, the numbers taking part in competition have also been lower than we would expect. Just two in five people take part in competitive sport within a school—intra-school competition—and just one in five in competitive sport between schools.

Clive Efford: Will the Secretary of State give way?

Michael Gove: No—not at this stage. I was very generous in giving way earlier.

It is also important that we look at those figures more deeply in context. On schools where pupils regularly take part in intra-school competitions, in 1,280 secondary schools not a single pupil takes part in an intra-school competition. That equates to nearly one in three secondary schools where not a single intra-school competition takes place.

Simon Danczuk: Will the Secretary of State give way?

Michael Gove: No.

I know that there are challenges that we all face, but after the commitment of £2.4 billion we have not seen an improvement. Similarly, as to the proportion of pupils who regularly take part in inter-school competitions, in 710 schools not a single pupil takes part in such competitions. That situation is not defensible.

The right hon. Gentleman said that not everyone can be in the first 11, or the first 13 or 15, and that is true. However, some schools are exemplary. In 10 schools, 100% of pupils regularly take part in inter-school competitions, and in 320 they regularly take part in intra-school competitions. There are massive variations and disparities. I mention these figures simply to point out that a responsible Government would look, as we have, at the commitment of £2.4 billion and ask this: can we ensure that we have more schools where more students have an opportunity to take part in competition?

Phil Wilson *rose—*

Michael Gove: I will not give way at this point.

If some schools can offer every student an opportunity to take part in intra-school and inter-school competitions, why cannot more do so?

Lyn Brown: Will the Secretary of State give way?

Michael Gove: No, I shall not.

I believe that the time is right to consider a different approach. We should listen to some of the voices that are equally as committed to sport as the right hon. Gentleman. They include organisations such as Compass, which represents those who are involved in providing coaching support for schools. In a letter to me, it says that it is important that we cease

"to fund a costly central management and control system",

and argues that

"the most sustainable model in primary schools is where coaches work alongside teaching staff...This will require no expenditure on centralised management and infrastructure."

I have to take account of what it says.

In the same way, I listen to Greenhouse, a charity that has done a fantastic job in encouraging more children, particularly from areas of deprivation, to take part in sports. One of the trustees of Greenhouse, David Meller, says to me—*[Laughter.]* For the avoidance of doubt, I should stress that this is David Meller, the sponsor of Harefield academy, which I have had the opportunity to visit.

Chris Bryant: Not the Chelsea supporter.

Michael Gove: Not the gentleman who forced down the price of Chelsea strips everywhere. That was not all he forced down, but I will put that to one side.

This is a serious point. David Meller says:

"The quality and effectiveness of"

the existing approach has

"varied from borough to borough"—

exactly my point—and that the

"structure is overly bureaucratic and not sufficiently focused on delivery."

Let me mention someone else who has a valid point to make in this debate—the hon. Member for Vauxhall (Kate Hoey), who used to be Minister for Sport. I do not know whether the right hon. Member for Leigh has respect for the hon. Lady, but I certainly do. She says:

"It was always expected that, if School Sports Partnerships were a success, they would become embedded and the Youth Sport Trust would then withdraw. If schools and parents feel that their SSP has been valuable, I suspect that it—or at least many of its functions—will continue in some form. Where the contribution of the SSP has not proved valuable, new solutions will be sought. This is exactly how it should be: schools themselves taking more responsibility for school sport."

Steve Kibble, an individual who delivers sport for a local authority in Devon, has written to me, as have several other teachers and head teachers. He points out that in his area, school sports partnerships

"have drawn down £1.4M per year"

and argues that

"if the money had gone direct to schools we would have had £4,110 per school per year to invest in PE",

noting that instead some schools have had just £200.

Those are all powerful voices who care about sport just as much as the right hon. Gentleman, and who say that we can reform the way in which we deliver school sport.

Mr Roger Gale (North Thanet) (Con): Will my right hon. Friend give way?

Michael Gove: I am delighted to do so.

Mr Gale: It is abundantly clear that some fairly murky bathwater has to be disposed of, and it is also plain that there is a baby that has to be cared for. As my right hon. Friend knows, I represent an area of the country with some of the highest social deprivation. Thanet primary schools have benefited significantly from sports festivals. Will he indicate very clearly whether such areas and school clusters will continue to have the money to hold sports festivals and, if they wish, to employ locally a sports co-ordinator to run them?

Michael Gove: That is exactly our approach. Our approach is to ensure that the money is devolved—

Several hon. Members *rose—*

Michael Gove: I shall not give way. Our approach is to ensure that the money is devolved entirely to local authorities. I am grateful to my hon. Friend the Member for North Thanet (Mr Gale), because he is not only a very effective constituency MP, but somebody who appreciates the importance of competition in school sport.

Several hon. Members *rose—*

Michael Gove: No, I shall not give way.

It is critical that we recognise what a different approach might involve. It is important for those of us who care about delivering school sport in a better way to acknowledge that the way in which the curriculum is currently designed means that those who wish to deliver competitive sport often have to do so outside school hours. Is it worth thinking about how we can reform the curriculum to better support school sport? I think that it is.

It is also worth acknowledging that there are bureaucratic requirements for coaches who support particular school sports to be qualified at a specific level and in a specific way. Perhaps we could look at that bureaucracy and make better use of the volunteer army that is determined to encourage more children to take part in sport. There are rules governing everything from health and safety to who is qualified to drive a school minibus that restrict that volunteer army in committing to school sport. Is it appropriate that we look at all those rules and reform them? I think that it is. In all those areas, action could have been taken in the past 13 years, but it was not. I would like to see a different approach.

Chris Bryant *rose—*

Michael Gove: I shall not give way.

We must acknowledge the reality regarding school playing fields. There cannot be effective school sport without school playing fields. A number of hon. Members have made the point that Labour has an at best ambiguous record on this matter. In 1997, the Labour party manifesto stated:

"A Labour government will take the lead in extending opportunities for participation in sports; and in identifying sporting excellence and supporting it.

School sports must be the foundation. We will bring the government's policy of forcing schools to sell off playing fields to an end."

That was an admirable aim. However, in January 2000, it was revealed that of 103 applications to sell playing fields, 101 had been approved.

Elsa Davies, director of the National Playing Fields Association, said that the previous Government did not even pay lip service to their election pledges:

"They have said one thing and done precisely the opposite. It is a very sad U-turn. These pieces of land are disappearing forever and they are part of our children's heritage."

In November 2000, the sell-offs had still not been stopped. Elsa Davies pointed out that 190 applications had come forward, and that only four had been refused. In February 2002, after more than 18 months in which £125 million had been due to be handed out to 12 partner organisations to support school playing fields, the *Daily Mail* and the BBC revealed that they had contacted all of those groups and found out that not a single one had opened new playing fields with the money. Kate Hoey, the then Minister for Sport said:

"Trying to stop the sale of playing fields was another uphill battle. No one wanted to admit"—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The Secretary of State may not use the Member's name. I think that he is referring to the hon. Member for Vauxhall.

Michael Gove: I am grateful, Mr Deputy Speaker. I am quoting from *The Daily Telegraph*. The hon. Member for Vauxhall said:

"Trying to stop the sale of playing fields was another uphill battle. No one wanted to admit that this was still happening... But again this didn't fit the picture that Downing Street wanted to portray. They had begun to believe their own spin".

She continued:

"Ministers should admit that what they are really doing is allowing sales to go ahead to subsidise the Education Department's rising costs. The truth is that, in town after town, green spaces are being concreted over and it can be seen by everybody."

[Michael Gove]

By April 2007, Labour had presided over the loss of 2,540 school and community playing sites. I recognise that there are pressures on Governments and on schools, and that flexibility is at the heart of the effective delivery of Government policy. However, it is appropriate for the Opposition to acknowledge that when we look back at the record of the past 13 years, although there are successes to be applauded, there are also lessons to be learned.

I recognise that many right hon. and hon. Members want to contribute to the debate and I hope that it will follow the pattern that I hope I have set. I hope that it will be respectful of the facts.

Clive Efford *rose*—

Michael Gove: I am afraid that I cannot give way.

I hope that the debate will be respectful of the facts. I hope that it will acknowledge that there are hon. Members in all parts of the House who are committed to the better delivery of school sport. I hope that it will take into account the points graciously made by the right hon. Member for Leigh, and recognise that there is scope for a reduction in funding and for the more efficient use of the infrastructure that we have inherited. If we proceed in that way, I am sure that we can all work together to ensure that school sports continue to be delivered to an ever-higher standard and that we will all be able to take pride in the achievements of our young people.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Before I call anybody, I remind hon. Members that there is a six-minute limit. There are 27 speakers, so short speeches would be helpful—brevity is the order of the day. If hon. Members try not to take as many interventions as usual, we will get as many speakers in as possible.

6.5 pm

Mr Roger Godsiff (Birmingham, Hall Green) (Lab): I will try to be brief, Mr Deputy Speaker, charitable to the Government and constructive.

I do not believe that the Government are setting out to butcher school sports, but I fear that, whether by design or through how things pan out, they will make the same terrible mistakes that were made in the 1980s. At that time, a combination of political correctness and political ideology undermined competitive school sports and derided teachers and parents who gave up their time voluntarily to run school sports clubs. Large numbers of school playing fields were sold off to pay for the budgetary constraints imposed by Mrs Thatcher's Government on local government. As a result, many schools no longer have their own playing fields. Sadly, many sports, in particular cricket and rugby, are available only in private schools nowadays.

In my constituency of Hall Green, the site of the former Moor Green football club is the subject of a planning application by a developer for housing. Next to that site is Hall Green primary school, which is desperate for playing field facilities, as are the other cluster schools. If the matter ends up with the Government on appeal, I hope that the Secretary of State will bear in mind what he has said in this debate about losing sporting facilities.

As well as being a Member of Parliament, I have had the privilege over the past six years of being chairman of a large charitable trust that is associated with a professional football club. The trust uses the power of football to engage with some of the most disadvantaged people in the south-east of England, who would not respond to anybody else, and certainly not to Ministers, politicians or local government officers. The trust has a turnover of £2.8 million and it employs 30 full-time staff and 130 coaches. It has engaged with many school partnerships to provide coaching and facilities that are desperately needed. It has had huge success.

The Government's policy will potentially provide more business for such trusts. With all due respect to the Secretary of State, our experience is that working with schools and school partnerships can bring huge benefits. We can take on such commitments, but I am not sure that they will be achievable in the way that he thinks, and certainly not if he cuts £162 million and puts back only £10 million. What is happening to the other £152 million? Will it go to schools so that they can contract out or will it go into the general budget? If it goes into the general budget, sport will lose.

The Secretary of State asked the Opposition spokesman to give him an alternative. My right hon. Friend came up with one, but as we are in that sphere, I will offer an alternative to the Secretary of State. In this country, the most profitable sport, and the one that dominates income generation, is premier league football. More than £3.5 billion of contracts are currently operated by the premier league for the benefit of 20 clubs. Yes, some trickle-down economics apply, but basically 20 clubs, their owners, their players and the agents are the ones that benefit.

I shall make a suggestion to the Secretary of State. In 1997, when the Labour Government came in, they imposed a levy on the privatised utilities to pay for a specific employment programme. If the Government were to impose just a small levy, let us say 5%, on the £3.5 billion coming into premiership football, that would completely pay for the cuts that he is proposing. I suggest that he may like to go and have a word with the chief executive of the premier league and put such a suggestion to him. If he did, the Government would be hugely popular—they could do with some popularity at the moment—among sports fans throughout the country.

If the Secretary of State made such a suggestion, he could only get one of two answers, yes or no. Or he might be told where to go, but he would have shown clearly the view of a Government who say that we are all in it together. One particular segment of sport is getting a vast amount of money that many people now find absolutely obscene, so I say to him: be radical, be brave. Why does he not impose a very small levy on premiership money to pay for all the cuts that he is announcing today?

6.11 pm

Mr Graham Stuart (Beverley and Holderness) (Con): It is a pleasure to take part in this debate, which opened with a funny and high-quality speech from the shadow Secretary of State, which reflected his passion for, and expertise in, sport. I am sure that will soon be conveyed into the area of education. The Secretary of State's

response was also of high quality. Last week he produced an extremely promising White Paper that rightly focused on teacher quality. He has also successfully protected schools' funding and introduced a pupil premium to help the poorest.

The Opposition do not like hearing it, but we all know how terrible, and indeed terrifying, is the scale of the overspending that the last Government left. Apart from the wilfully blind, all of us recognise the necessity of bringing it down before it does the same to us. It is therefore understandable that the Government should seek to make every possible saving, and that the £162 million budget for the physical education and sport strategy is put under scrutiny.

The Government are determined to stop micro-managing how schools and others spend their money, and to end most ring-fencing of budgets. Their proposals on school sport partnerships are consistent with that approach. Exaggerated claims that ending them will destroy all competitive sport in maintained schools are foolish and wrong. It is true that school sport partnerships have not been the cure-all for our children's obesity and exercise challenges, and that as we heard, there have been a mixture of outcomes and variations. Nevertheless, I welcome the tone of the Secretary of State's speech, which set out the fact that the Government are prepared to listen to the representations that have been made up and down the country.

Whatever the variations, sport partnerships have had a role to play in improving and increasing participation in sport. It is incumbent on the Government, even in these parlous times, to listen to the representations that are made and consider ideas of how to ensure that we do not needlessly lose what we have of value. There may be a period of transition, and as the Secretary of State rightly said, we will need to provide time to allow alternative funding to be brought forward, but there is huge popular sentiment behind sport for our young people and children.

As the hon. Member for Birmingham, Hall Green (Mr Godsiff) said, there is a vast amount of wealth in football, but also in other professional sports. We must take at face value the enthusiasm of the many sports people who are speaking up on behalf of sport partnerships, and see how we can work with them and others. I am not sure I agree completely with a levy on the premier league, but it is an idea to put in the pot.

We need to consider ways of maintaining what is most valuable. From what the Secretary of State said today, I picked up on the fact that the Government are open to listening to representations on that. He said that there was scope for more efficient use of the existing infrastructure, which implies to me, in however nuanced a way, that the Government are coming to recognise that that infrastructure may have value and is not just needless bureaucracy. I hope that we will see further action on that.

Mary Macleod (Brentford and Isleworth) (Con): Does my hon. Friend agree that head teachers and staff have the capability and organisational skills to retain competitive sport in schools, just like at my school, Dingwall academy, a state community comprehensive, in the 1980s? The teachers worked tirelessly to ensure that there was competitive sport, with all sports included.

Mr Stuart: My hon. Friend makes a powerful point, and like the Secretary of State, I believe in trusting front-line professionals. May I take her with me on a virtual journey to my constituency, and to some of the small rural primary schools there? Without some form of infrastructure such as the sport partnerships, it would not have had specialist coaches coming in to work alongside the teachers in the school. That co-ordination and involvement can play an important part. Rural areas and the primary sector in particular can benefit from some form of central infrastructure.

The Government showed that they listen during the passage of the Academies Act 2010, when representations were made in both Houses about special educational needs, with Members saying that not all the responsibility should be passed down to schools after careful consideration of the impact that it would have. The Government came forward with changed proposals to ensure that certain aspects of SEN provision would rest with local authorities. Having heard the Secretary of State's words today, I am hopeful that he is in listening mode again, while also rightly seeking to ensure that we do not have needless bureaucracy.

The engagement among the Front Benchers in recognising that there is room for improvement and for common ground should give hope to all those who want to ensure that we move forward from a position that was improved in recent years under the last Government, but which can and should be so much better than it is. If we can move forward on that basis, I believe that we can do the right thing by our young people in schools up and down the country.

6.17 pm

Mrs Jenny Chapman (Darlington) (Lab): How ironic that a debate on cuts to school sport should follow the Health Secretary's statement on public health. He recognises the problem of childhood obesity and health inequality, but it is unfortunate that on this issue, the Government's left hand does not appear to know what the right hand is doing. This change is not a nudge, it is pitching school sports back into the rough of the 1980s.

In the words of one Darlington schoolteacher,

"hard pushed teachers do not have the time to replace or enhance the work of the Partnerships in organising competitions."

He continued:

"I am dismayed at the state of democracy in this country if one self confessed hater of school sport"

I think he means the Secretary of State

"can scrap a decade's successful work. Surely this man must listen to the outcry across the nation that this whimsical decision has caused."

My concern is that without the innovation and expertise offered by school sport partnerships, the most able, motivated and enthusiastic young people will, quite rightly, be given the opportunity to play hockey, netball, athletics and basketball for their house and their school, but the rest will be left with the excuse of concluding that sport just is not for them.

School sport partnerships and specialist sports schools, such as Longfield school in my constituency, have succeeded in combining a growing excellence in competitive sport with activities designed to encourage those less inclined to don a bib and take to the hockey pitch. Selling the same old nostalgic product, as the Tories tried in the

[Mrs Jenny Chapman]

'80s, simply does not work, and I speak as someone who played rugby union for my university. School sport partnerships understand the specific needs of different groups, particularly girls, and develop new activities and experiences that compete successfully with how girls previously chose to spend their time. They have been exceptionally good at listening to what girls want, and flexible in responding to what they have heard. Imaginative initiatives, such as a prom club to help girls feel fit and healthy before their prom night, grab the attention of girls who are so often left out of competitive sport.

However, school sport partnerships have also championed competitive sport. They have offered leadership courses, helping people to gain experience, qualifications and confidence in sport that they can share with their younger peers. Older girls have often inspired younger ones to give sport a go, and SSPs have often worked with primaries to produce a better quality offer. That is a good example of making public money go further.

Why are the Government not listening to young people? The campaign to save that value-for-money approach to school sport is growing daily. Those working in school sports, almost to a man and a woman, believe that that cut has not been properly thought through.

Phil Wilson: As I said earlier, I have received dozens of letters from children in my constituency who are concerned about those cuts. This is from Bradley Johnson, aged 10:

"Dear Mr Wilson...I am writing to ask Mr Gove to please change his mind on stopping the school sports partnership. Please I'll even beg him if I had to".

What has the world come to when young children desperate to play sport must beg the Government to do so?

Mrs Chapman: My hon. Friend makes a very good point. If the Government cannot listen to the Opposition, perhaps they can listen to Bradley from Sedgefield.

Alison, the school sport co-ordinator in Darlington, said:

"I believe passionately that we have an obligation to fight for what I feel is the right of every young person in a state school to have the equality of opportunity to find their physical spark."

The Secretary of State needs to understand the anger, frustration and—frankly—the disbelief at such a rushed and ill-thought-through cut. It is a dog's breakfast of a cut.

Craig Whittaker (Calder Valley) (Con): Will the hon. Lady give way?

Mrs Chapman: I will not give way because I want to make a progress and this matter is important to my constituents.

Hannah Marshall is a young woman from Darlington who benefited from the Darlington school sport partnership. Her energy and enthusiasm in embracing all the opportunities that presented themselves were sparked when she was in primary school—a range of experiences, competitions and activities were on offer through the partnership. Sport has changed Hannah's life. She has taken advantage of many opportunities, but she has also made a massive contribution to sport in school and college, and in the wider community, through her voluntary work. Since leaving school, she has studied A-level physical education, biology and leisure studies, and now wants to become a PE teacher. She says:

"I've had the best time ever! I've loved the sport, playing football and volunteering. My advice is to get involved as much as possible. The more you put in, the more you gain."

Those are wise words. The Secretary of State should listen to young people such as Hannah, who, unlike him, know what they are talking about when it comes to school sport.

Guy Opperman (Hexham) (Con): Very simply, your own Secretary—[Hon. Members: "You?"] I apologise. Would you accept—*[Interruption.]* Does the hon. Lady accept that there would and should be a cut to the budget?

Mrs Chapman: As my right hon. Friend the Member for Leigh (Andy Burnham) indicated, if the Secretary of State would like to make the Opposition an offer, perhaps we could start negotiations.

To conclude, there are hundreds of Hannahs throughout the country, but their spark may remain unlit if we allow the end of school sport partnerships.

6.23 pm

Mr Don Foster (Bath) (LD): My hon. Friend the Member for Colchester (Bob Russell) feels as strongly as I do that we need to find a way forward, which is why he was concerned about the polarisation of this debate. I would have no difficulty in attacking the previous Labour Government if I wanted to enter into such a debate. I would point out that, for several years, they failed to protect smaller playing fields after they had promised to do so; that, under them, obesity increased; that, when they claimed a wonderful participation level of two hours of sport a week, they failed to mention that that included changing time; that, under them, participation in recent years hardly increased and that, sadly, the participation of women and disabled people has fallen; and that they made little or no dent in the drop-off in sports among people who had left school. That is what I would say if I wanted to be negative.

Mr Andrew Smith (Oxford East) (Lab) *rose—*

Mr Foster: I will give way to the right hon. Gentleman before I talk about the positives.

Mr Smith: While the hon. Gentleman is not being polarising, and in the spirit of consensus that he says he espouses, does he agree that it would make sense for the coalition Government to respond positively to the constructive offer that my right hon. Friend the Member for Leigh (Andy Burnham) made? Common cause can be made and we can find a way to save the essential infrastructure for the invaluable work that those partnerships—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Interventions must be very short. The right hon. Gentleman should know better; he has been here long enough.

Mr Foster: The answer to the right hon. Gentleman is, broadly, yes, as I will say in my conclusion.

If I wanted to be positive, I would praise the previous Government for their work, for example, in building up the links between schools and sports clubs. Above everything, that increased the opportunity to provide a wider range of sports, so that more children are more likely to find a sport that they like. I would also praise the work that they did in developing the amateur community sport status, which gave tax benefits to sports clubs, and the way in which they restructured and simplified the landscape of the various sporting bodies. In particular, I would praise them for the excellent UK school games, which had a great effect on very many young people—it took place in my constituency of Bath.

The debate has also been polarised on the question of whether the school sport partnerships scheme was excellent or varied. The obvious truth is that there are examples of very good practice and of not such good practice.

Surely the House wants to ensure that it provides a lasting sporting legacy from 2012. That is what we are all about. We know that if we are to do that, we must ensure that we have coaches, volunteers, sports facilities and many other things, including a proper support structure for sport, whether for school, amateur or elite level sport. The one thing that is clear to me is that school is where it all starts. If we can get sport provision right in school, particularly by linking schools with clubs, we have a real opportunity to provide that sporting legacy from 2012.

The Government are right to have introduced the innovation, building on the UK school games, of the schools Olympics—or whatever it will ultimately be called—because that will boost the amount of inter and intra-school competition.

Stella Creasy (Walthamstow) (Lab/Co-op): The hon. Gentleman mentioned the UK games for young people. Who will organise the UK schools Olympics if we do not have school sport partnerships? The school sport partnership in Waltham Forest organises 112 competitions each week.

Mr Foster: I will come to that very fair point at the end of my speech.

The Secretary of State is right to point out the amount of red tape and bureaucracy in the existing scheme, and to say that we should devolve responsibility for decisions to the lowest possible level, and, within our education system, to governors and head teachers. However, there are two problems. First, if schools buy in services, they need to have a broad framework from which to purchase. Unless we take action quickly, we will discover that all aspects of the school sport partnership network have disappeared. That is why it is important to accept the principle that we need to find a way to maintain a base level of support within some sort of structure. Schools need something to buy in to.

I agree with the Secretary of State that there ought to be ways of slimming the bureaucracy and of the number of bodies. Within my own constituency, the county sport partnership—another excellent set of bodies that do excellent work—already work with our schools and some of the excellent staff who are involved with the school sport partnership to see whether they can find a way to build a framework into which schools can opt. With a little bit of additional support from the Government, that could be a way forward. I do not think that it is necessary to have county sport partnerships and school sport partnerships. Indeed, the divisions between school sport and community sport have been too great under the current structures and, as I have said, bringing them together has been beneficial.

To my right hon. Friend the Secretary of State, I say that I agree with the shadow Secretary of State that while some slimming of the structure is necessary, it has provided some excellent things and, with a smaller budget, there is a way of providing a basic framework whereby schools can bid.

Annette Brooke (Mid Dorset and North Poole) (LD): Does my hon. Friend agree that it is also a matter of timing? Schools, rightly or wrongly, have great uncertainty about their future budgets and therefore are not prepared to commit to a pool. I am concerned that we could lose everything by acting too precipitately.

Mr Foster: My hon. Friend is right, which is why I have said that time is not on our side. People are being issued with redundancy notices—and that is a problem—and schools are not clear about how much money may be available in their budgets.

Broadly speaking, we are moving in the right direction, but we need a framework. I urge my right hon. Friend the Secretary of State to talk urgently to the Youth Sport Trust and Sport England, because if they worked with him, he could put together a package that satisfied Members on both sides of the House.

6.31 pm

Mr Gerry Sutcliffe (Bradford South) (Lab): It is a pleasure to follow the hon. Member for Bath (Mr Foster) who, at the fifty-ninth minute of the eleventh hour has come up with a solution. If we do not do something as a result of today's debate, people will be made redundant, so they will be gone and the infrastructure that is so important to school sport will be lost.

I heard what the Secretary of State said and, as an incoming Minister, he is right to want to look at all areas of expenditure. However, I was sad that he did not say that he had held wide-ranging discussions with the hon. Gentleman and with the Minister for Sport and the Olympics, because I well remember the debate that we had on BBC Radio 5 Live before the election, in which we all agreed about the success of school sports. The House should not underestimate the esteem in which our sporting infrastructure is held. After all, that investment led to our wonderful success in Beijing, with our biggest ever medal haul in the Olympics and Paralympics.

The infrastructure was important. We did lose out in school sport in terms of its competitive nature, and we can argue about the causes of that, but what was important was rekindling that competitiveness and putting structures back in place. I am sorry that the Secretary of State has not met Sue Campbell—although I understand one of his ministerial colleagues has done so—because she is an expert in sport infrastructure, not only in this country but around the world. I urge the Secretary of State to meet her to talk through these issues.

We set up the Youth Sport Trust so that it could look after school sport and youth sport. Sport England dealt with community sport through national governing bodies

[Mr Gerry Sutcliffe]

and whole sport plans, and UK Sport dealt with elite-level sport, which we hope will lead to a further medal haul in 2012 that will be the envy of the world.

The Secretary of State should also consider the added value of participation in school sport. Nobody has yet mentioned the sports leaders who volunteer to go from their secondary schools into primary schools. Primary school heads say that if the money is devolved, they will not have the time or the expertise to commit themselves to competition in school sports. As my right hon. Friend the shadow Secretary of State said, those young sports leaders will come to London next week under the leadership of Debbie Lute, who was herself a sports leader. The programme has given them self-confidence and self-esteem, which read across into their academic life. The issue is not just sport for sport's sake, but what sport can do and the value it can add.

Julie Hilling (Bolton West) (Lab): Is my hon. Friend aware that year 5 pupils are involved in volunteering and starting to achieve qualifications as playground leaders and sports coaches? People become involved in the volunteering process from a very early age.

Mr Sutcliffe: I agree, and that is the way forward—surely it is the big society that the Prime Minister keeps talking about. It is an opportunity to develop people's leadership skills.

The structure is important. We tend to view bureaucracy and infrastructure as all bad and to be disposed of, but the structure in this case is important. We were careful to ensure that the sports infrastructure met the requirements. There was resistance from some sports to get involved in school sports, and one of the things that we were able to do was widen the choice of sports available to youngsters. Traditionally and stereotypically, boys played cricket, football and rugby and girls played netball and hockey, and that was it. Children did not get an opportunity to do any other sports, which left lots of people out of sport. Through the Youth Sport Trust, and through work with the governing bodies, we opened up opportunities to try archery, fencing and a wide range of sports. It was not a question of participation at elite level, but about the opportunity to take part.

Many of my friends, and I still have a few—*[Interruption.]* I always include the hon. Member for Bath. Many of my friends became my friends through school and other sports that I have been involved in over the years, so the partnerships should not be thrown away. Urgency is now the name of the game.

Angela Smith: My hon. Friend mentioned the range of sports now practised in schools. Some areas of the country are also developing specialisms, such as mountaineering and orienteering in south Yorkshire, which, thanks to the partnerships, is having a huge impact in schools.

Mr Sutcliffe: I agree, and it has been great to see smaller sports being experienced in schools, which has been achieved through the network, through the school sports co-ordinators and through the opportunity to get involved in coaching. The Secretary of State said that we need to look at how we use sports throughout the school day, but the link between school sports and clubs was the opportunity to bring clubs into the schools and try to use the schools to the fullest extent in passporting people to participation. We have the route right for elite sports—if someone shows potential, they have a route to elite participation—but we also have a route for those who just want to enjoy their sport for the sake of it.

As sports Minister, a big issue for me was disability sport. The hon. Member for Bath was right to say that participation in disability sport should have been a lot better than it was, and there was a need for reform. Disability sport in school is also vital, although there is a transport issue. Some of the good practice in school sport partnerships was in developing ways forward for disability sport. We should be able to offer those with disabilities the same chances as other children to be involved in sport.

I am passionate about sport and I could go on for hours—although of course you will not let me, Mr Deputy Speaker—about what sport can do for our society. We must not miss this opportunity and I hope that the Secretary of State will take up the offer from my right hon. Friend the shadow Secretary of State. If I can be of assistance in any way—I am sure that the hon. Member for Bath and the Minister for Sport and the Olympics would also help—I offer my services to try to find a way through this. If we lose this infrastructure, it will be lost for ever, and we do not want that to happen.

6.38 pm

Justin Tomlinson (North Swindon) (Con): I am pleased to speak in this debate on an issue in which I am very interested. I had many positive experiences in school sports. Indeed, I lost many competitive games, which stood me in good stead in my political life. I was also the lead member for leisure on Swindon borough council and councillor for a new development ward. I support 100% the positive role that sport can play in encouraging a healthy and active lifestyle, and improving behaviour, team work and enjoyment. I want to focus on some constructive points, especially because I am so biased in favour of sport.

Before the debate, I took the opportunity to visit many of my local schools, and the school sport partnership organised some events to showcase exactly what it was doing, working with Swindon borough council's leisure department. That gave me an opportunity to discuss the matter directly. From my visits in my constituency, I can draw not only many positives, but—crucially—lessons to ensure that we can secure for young people the maximum sporting opportunities.

Andrew Percy (Brigg and Goole) (Con): There have been positive experiences in this process, but it has been patchy. One deputy head teacher whom I spoke to this morning said that the local school sport partnership had taught those involved what they had forgotten, but that it would not be a complete disaster if it disappeared, because they would be able to continue through other mechanisms. There is good and bad, and we should move forward and give head teachers the powers they need.

Justin Tomlinson: People involved in the school sport partnership I saw were understandably extremely positive, as were Swindon borough council and some of the head

teachers I met—although not all of them—so my hon. Friend raises a fair point, which strengthens the case for giving head teachers more choice. I want to be positive and constructive, but I am biased, because I have seen first hand the benefits that sport can bring.

I return to what I have seen in my constituency. Clearly we have in place a greater range of activities than would typically be offered. Many Members have mentioned that point already—in particular, I noted the speech by the hon. Member for Darlington (Mrs Chapman). One sport I saw was street dancing, which is extremely popular, especially among females—probably off the back of the inspirational "Pineapple Dance Studios" television programme. The crucial message is that it goes beyond the core traditional sports. I am a great believer in competitive sports—I was sporty myself—but trends change, and we need to capture the imagination of children to get them active.

We have to sustain engagement post-event. We have to ensure that, after children enjoy a taster session of external sports clubs, they continue to engage long term. In Swindon, we are good at that, because we have a successful sports forum of 60 sports groups working with the council to promote its activities.

Sarah Newton (Truro and Falmouth) (Con): I want to associate myself with my hon. Friend's positive comments, because based in my constituency is an effective school sport partnership working with 74 primary schools, nine secondary schools and two specialist schools. He made the point about links with clubs. In a remote, rural area such as Cornwall, it is very difficult for young people who develop a passion for sport to find fixtures and opportunities to expand and develop—

Mr Deputy Speaker: Order. I am sorry, but interventions have to be very short. A lot of hon. Members want to speak. If hon. Members are going to intervene, they should keep their interventions short.

Justin Tomlinson: I fully agree with my hon. Friend's excellent intervention. In the 10 years I was a councillor, the achievement I was most proud of was setting up the sports forum to get sports groups to capture children's imaginations and take them beyond. I welcome her intervention.

We have to improve and increase the provision of high-quality physical education and school sport, especially through training. A number of PE teachers have said to me that, through the school sport partnership, they were equipped with a broader range of skills. We also have to increase the number of healthy and active pupils. We have all been quoting statistics today, and I will quote some relevant to my constituency. In Swindon, the number of schools doing two hours of sport a week has risen from 33 to 68. I was most inspired by a gentleman called Dave Barnett of Robert Le Kyng primary school, which, I must confess, is in the neighbouring South Swindon constituency. He has worked to deal with children with behavioural issues, and to get students active and—crucially—enjoying it. That is a major factor that we should not overlook.

Barbara Keeley (Worsley and Eccles South) (Lab): We are all enjoying the hon. Gentleman's contribution—it could be replicated around the House. My Salford school sport partnership is equally good and has equally impressive statistics. I invite him to vote with the Opposition tonight, because he clearly supports school sport partnerships.

Justin Tomlinson: That is a kind intervention. However, I will finish my speech, and then the hon. Lady will see where I sit on this. There have been many successes in Swindon, but that is not necessarily the case throughout the country—I conceded that point to my hon. Friend the Member for Brigg and Goole (Andrew Percy)—so we should look at the broader picture.

I want to mention some positive Government measures to which hon. Members have not referred, for example the Troops for Teachers programme. One of the lessons I have learned is that there is not a sufficient pool of teachers confident enough to deliver a broad range of sporting activity. If ever there was a new wave of teachers who could fill that gap, it is soldiers, so I welcome that initiative. I also welcome the measures to protect playing fields and support the principle of the school Olympics and the plans to invest in leisure infrastructure as part of the Olympics legacy.

I also have my own brief wish list. I would like greater provision of accessible open space in new developments. I touched on this matter in my maiden speech and in a number of Westminster Hall debates. I know, from when I was younger and from having represented a new development ward, that when someone is inspired by sport on the television and wants to go and use jumpers for goalposts, they need somewhere to do it, but too many new developments are concrete jungles and do not provide those opportunities.

We should encourage local authorities and schools to open up their buildings and facilities to local sporting groups and organisations. We also need to work with the youth service. There is now a crossover between traditional sport and youth provision: things such as street dance and cheerleading fall into both categories, because they are traditional sports and are what the youngsters want to do. We also need to tackle the issue of insurance. A number of PE teachers raised with me the point that inter-school competitions require students to be driven to schools, but in some cases it costs £1,000 to insure a teacher to drive a minibus. That proves to be one of the biggest barriers.

In conclusion, it is essential that schools understand and support sporting activity and opportunities. As an MP, I will continue to lobby on this locally in my own small way, and I will continue to visit my schools. Given that schools will effectively now commission this work, I echo the need to have in place a basic framework, as suggested by the hon. Member for Bath (Mr Foster). Those opportunities must continue. Schools themselves can then judge whether the relevant activities are being offered to inspire and increase participation; whether we are working to link with local sports clubs and organisations to sustain engagement; and whether they are receiving the training ultimately to deliver more of their own tailored sporting opportunities that their pupils want. I hope that school sport partnerships can, as in the case of Swindon, prove to their local schools that their work should continue to be commissioned, and I urge the Minister to set out how he will encourage that.

6.46 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): It is a pleasure to follow the hon. Member for North Swindon (Justin Tomlinson), who made some very positive comments. I can fully understand why my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) invited him to join us in the Lobby tonight—he seemed to agree with our motion. It is also a pleasure to follow my hon. Friend the Member for Bradford South (Mr Sutcliffe), the former sports Minister, who is highly regarded across the House for what he achieved in that post.

Last week, it seemed clear that the Government believed that school sport partnerships did not work, despite the facts and the completely opposite view of many of those involved. They believed that partnerships did not deliver and fell short of expectations, and that the investment in them did not result in a commensurate outcome. However, the same message is not coming across today, especially in the comments of some Government Members. I sense a more open approach, so I will be interested to hear the Minister's winding-up speech.

The Government's view was at odds with the opinions of individuals and organisations immersed in the world of sport, as we have heard already. Mr Chris Willets, the Tower Hamlets school sport partnership manager, has advised me on the impact of the partnership locally. In 2006, the average number of timetabled minutes for physical education was 99, but is now 127; the number of newly qualified teachers supported to deliver PE was nil, but is now 55; the number of teacher and sport training courses was nil, but is now 73; the number of pupils involved in inter-school sports competitions was 9,000, but is now 15,000; the number of primary inter-school competitions was one, but is now 37; the number of secondary inter-school competitions was three, but is now 25; the number of young people playing sport outside school was 4,000, but is now 11,000; the number of young people involved in representative sport was 31, but is now 237; the number of young people coaching, leading and volunteering was 1,700, but is now 5,100; and the number of professional coaches working in schools was nine, but is now 57. That trend applies to many other statistics that I will not quote.

Those might only be statistics, but they are powerful numbers and they do not—nor can they—convey the huge benefit to young people that sport brings. They do not convey the pleasure, joy and character building that sport delivers, and they cannot explain what a school sport partnership means to young people in a borough such as Tower Hamlets. It helps not just with health, but academically, as I am told by the excellent head of Langdon Park community school, Mr Chris Dunne, whose school was designated a sports academy in 2008. The question being asked in my constituency is: how much longer is Tower Hamlets to bear the brunt of cuts dressed up and designated by the coalition merely as changes designed to make funds "more targeted" or "more effective"? The abolition of the education maintenance allowance has been similarly dressed up, ultimately being dispatched by the Government to make way for "more targeted support".

Craig Whittaker: I agree that all Members of the House believe that sports in all parts of the UK create added value, but does the hon. Gentleman agree that the important thing is the mechanism for delivering that sport? There is a college not a million miles away from my constituency that receives part-funding for a teacher, not for sport but for arts and design. That is why we need change.

Jim Fitzpatrick: The hon. Gentleman makes an important point. My right hon. Friend the Member for Leigh (Andy Burnham), the shadow Secretary of State, made it quite clear that we are prepared to engage in trying to ensure that whatever system we have works for the benefit of young people. Last week we were told that the whole £162 million budget would be completely lost—or replaced by £10 million—and that the school sport partnerships would be deconstructed. The Secretary of State, for whom I have the highest regard, asked today by how much we would cut the budget, and in response my right hon. Friend said, "Let's talk about it." Let us try to ensure that we do not throw the baby out with the bathwater, so that we can protect the good and improve that which can be improved. That is the way forward.

The abolition of the education maintenance allowance has been dressed up, ultimately being dispatched by the Government to make way for "more targeted support". However, as with the school sport partnerships, that rings hollow and is unfathomable to young people locally. All they have are the realities: school sport partnerships delivering unprecedented interest, involvement and achievement in sport among children and young people in Tower Hamlets, just as the EMA helped them to strive to achieve their potential in further and higher education. Many young people in Tower Hamlets do not approach sport from a position of privilege, any more than they approach further or higher education from a position of privilege. As noted by others, the Government know that the money must be protected. It is to their great discredit that they cannot be honest about what they are doing to communities such as mine.

However, as I have said, I detected a change in tone from the Secretary of State. I hope and pray that he takes up the invitation from my right hon. Friend the shadow Secretary of State to engage in talks with Members and advisers to see whether we can arrive at a better solution than that which the Prime Minister suggested last week when, in answering questions, he completely dismissed everything about school sport partnerships. Last week the coalition was for eliminating the funds and abolishing the structure. Today I sensed the Secretary of State acknowledging that there was merit in many of the schemes across the country. I hope that I am right, but I fear that I may not be.

6.53 pm

Annette Brooke (Mid Dorset and North Poole) (LD): I welcome the Secretary of State's listening mode, and I assure him that I appreciate the need to evaluate school sport partnerships. It is important to be clear in that evaluation about the difference between inter-school sport and intra-school sport. It has been said that 80% of children do not take part in inter-school competition, but that is hardly surprising, as it is representative sport at that level. Very few schools will enter competitions with anything other than their best team. Clearly, it cannot be the case that everyone can take part in inter-school competition or that it will replace intra-school activity.

The Secretary of State said that he was concerned that schools were now advocating activities such as rock climbing and dance rather than rugby or football. It is important to find the right sport for the right person, whether it is a more traditional team game, an individual sport or two hours of aerobics every week. Nothing gives me more pleasure than visiting a school and witnessing pupils who would probably never want to participate in competitive sport, but who do participate in street dance, for example. As long as young people are active and are enjoying sport and learning all the lessons that come with it, it should not matter whether they are cross-country runners, table tennis players or stars of the first XV rugby team. That is where school sport partnerships have come in, helping to deliver a wider PE curriculum than a PE teacher could manage on their own.

In principle, I agree with non-ring-fenced budgets and with more decision taking by individual schools, so I ask myself: why do I have reservations about schools making their own decisions, especially if the £162 million really is distributed among schools? If all schools pooled their money—and if it is definitely in their budgets for that purpose—life would be perfectly straightforward, as long as the local authority can provide the leadership. However, as I pointed out earlier, that works only if everyone signs up in advance. The feedback that I am getting locally is that head teachers are so uncertain about their budgets that they will not commit in advance until they see their budgets. There is uncertainty about what the pupil premium actually means, about the ending of extra grants for specialist schools and about much more. I am aware that the Secretary of State has gone out of his way to reassure people, but sadly there is still uncertainty. That is why I feel that we should not just stop the initiative dead. We should evaluate and make improvements, but we also have to move at a timed pace and put steps in place, rather than just saying, "This scheme will come to an end by April 2011."

I would like to refer briefly to some comments made by one of my constituents. In part, we have focused on some of the bad experiences with school sport partnerships, but I want to celebrate some of the good experiences. In east Dorset, school sport partnerships have given all school children access to high quality coaching in a number of sports and, by organising festivals and tournaments, have allowed children the opportunity to compete and co-operate with children from other schools, as well as giving them access to facilities at the larger venues. It is through such initiatives that children become enthused by sport and develop life-long habits and skills. In addition to the more traditional sports of football, netball and rugby, children have had the opportunity to discover sports such as karate, basketball, archery, badminton and athletics that might not otherwise have been on offer. Thus, all children have the opportunity to find a sport that will interest them.

Sport plays a vital role, and it should be an integral part of a child's education. It has obvious health benefits, but it is also important for personal development, communication skills and giving children self-confidence. It is impressive to see young sports leaders from middle and upper schools who have been given the chance to organise events, referee matches and do coaching, giving them skills that will be useful in any chosen career. With that responsibility comes more mature attitudes, and older children become role models for the younger children they lead. I am concerned that, without the work of the partnerships, the current level of participation in sport will not be maintained. The smaller schools will have difficulty offering the variety and quality of sporting activities possible at present, and the provision of sport could become patchy and piecemeal. I make my remarks in a constructive manner, and I urge the Secretary of State to give the issue a thorough review.

Nic Dakin (Scunthorpe) (Lab): Will the hon. Lady give way?

Charlie Elphicke: Will my hon. Friend give way?

Annette Brooke: I want to leave time for other speakers.

6.58 pm

David Heyes (Ashton-under-Lyne) (Lab): I want to use my few minutes to tell the House what the decision means in my constituency, in Tameside and Oldham. Both the New Charter academy in Tameside and Failsworth school in Oldham have made remarkable progress since they attained sports college status. The improvement in results and the progress made by students at both schools have been tremendous, and that applies right across the curriculum, not just to sporting achievement. Those two schools are the basis of school sport partnerships in their boroughs, each covering a group of secondary schools, colleges and 30-odd primary schools. The SSP funding pays not only for the partnership development managers, but for their teams of part-time sports co-ordinators and primary liaison teachers—all teachers, not bureaucrats.

In the Failsworth partnership, regular participation in competitive sport stands at 45%, and in Tameside the figure has reached 62%, the third highest participation level nationally last year. In Tameside and Oldham, physical education and school sports have been transformed by school sport partnerships, and it is a tragedy that all this hard work and achievement risk being blown apart by this ill-conceived and spiteful cut. While the most noticeable progress has been made in the sports colleges, it is in the primary and special needs sectors that the cut will have the cruellest impact. In the words of Emma Heap, the Tameside development manager:

"These measures will take us back ten years."

The loss of dedicated SSP funding, of infrastructure and of facilitation and partnership work will inevitably lead to piecemeal, patchy sports provision in the primary sector. Talent will not be spotted at an early enough age for children to become Olympians or sports professionals, and the opportunity to develop transferable skills such as teamwork, leadership and volunteering—all of which can be developed through sport—will be lost. Some of our greatest sporting achievements in recent years have been in the Paralympics, and I wonder what thought the Secretary of State has given to the potential damage he is doing to our ability to spot and nurture sporting talent among students with disabilities by doing away with SSPs.

Alex Cunningham (Stockton North) (Lab): Does my hon. Friend agree that the lives of even some of the most disabled young people, such as the pupils of Abbey Hill school in my constituency, have been enhanced

[Alex Cunningham]

through the school sport partnerships? Those young people are now going to lose those opportunities because of the Government's decision.

David Heyes: What I am going on to say will prove my hon. Friend right.

One of my constituents, Jade, is 13 years old and she has spina bifida. She did not take part in PE very much and, being a quiet girl, tended to sit and watch the others. Thanks to a national scheme piloted in Tameside, however, school sports co-ordinators spotted Jade's potential at a talent academy, an Active 8 session. She tried her hand at a wheelchair event, and quickly progressed to win a race at county level. Next, she took part at regional level and won again. She had another win at national level. The SSP introduced her to the local athletics club and generated support around her. She tried the javelin, again with much success. Her first throw was 5 metres. The Paralympic record was 11 metres, and Jade was only 12 years old at the time. She has great potential and, at an athlete identification day, UK Athletics identified her as a potential Paralympian.

Jade is just one of 400 pupils who have been through the Active 8 academy in the past four years, many of whom have moved on to sports clubs and ever greater levels of achievement. Jade's parents are overjoyed at how far she has come, from being shy and retiring to being confident and successful. Her family put this down to the role of the SSP, the school sports co-ordinator and the competition manager at her school, without whom none of this could have happened. This is what the Secretary of State is putting at risk with his ill-conceived proposal, which will smash the infrastructure that makes all this possible for Jade and thousands of others like her. It really is not good enough to look to hard-pressed head teachers to provide the funds to maintain the skills, experience and infrastructure of the SSPs. Mainstream education budgets are being slashed, and difficult decisions will need to be made.

Emma Reynolds (Wolverhampton North East) (Lab): Does my hon. Friend agree that the Government do not seem to understand that it is in deprived areas, where parents do not have the money to pay for their children to have coaching or to join expensive sports clubs, that the cuts will take us back more than a decade to when sporting opportunities were the preserve of the well off?

David Heyes: Indeed I do agree with my hon. Friend. Her comment applies equally to my constituency.

The heads of both the sports colleges in my constituency have promised to do everything possible to continue the present level of support, but when they are battling to balance their books, it will be increasingly difficult for them to prioritise sport over maths and English. Head teachers and leading sporting figures are calling for a rethink, and even the *Daily Mail* describes the proposal as "idiotically destructive" and a

"false economy on a staggeringly grand scale".

I want to end by urging Government Front Bench Members to heed those calls. I really hope that the Secretary of State will take up the offer from those on our Front Bench, but I am not optimistic. I am afraid that, this is what happens when public schoolboys are running the country. This Government, and these Ministers, have not got a clue about the schools that are attended by 93% of this country's children. Not only have they not got a clue, but, by scrapping school sport partnerships, they are showing that they have not got a care either.

7.4 pm

Mr Ivan Lewis (Bury South) (Lab): This has been a timely debate on an issue of great importance for the future of our country. It is telling that, today, Members on both sides of the House have recognised the value of school sport partnerships. As the shadow Secretary of State for Education, my right hon. Friend the Member for Leigh (Andy Burnham), made clear in his excellent opening speech, we will continue to support the growing grass-roots campaign that is uniting head teachers, teachers, parents, young people, coaches and elite athletes across our country in defending school sport partnerships because of their past success and their capacity to transform the future for hundreds of thousands of young people. We will do so until the coalition reverses a decision that can be justified neither by the deficit nor by the performance of the Youth Sport Trust and school sport partnerships. Let us be clear, however, that we are willing to work with the Government to find a constructive solution. The speeches by the hon. Members for Beverley and Holderness (Mr Stuart) and for Bath (Mr Foster) and my hon. Friend the Member for Bradford South (Mr Sutcliffe) demonstrated that there are people on both sides of the House who can play an important part in finding a solution.

As we have heard time and again since this ill-conceived decision was announced, youth sport can and does transform the life chances of so many young people, building confidence and self-esteem, which are pre-requisites to educational attainment. It supports the development of leadership and teamwork skills that are so beneficial in the modern world of work. It helps young people to stay healthy and to avoid the curse of obesity, which is our greatest public health emergency—a point that my hon. Friend the Member for Darlington (Mrs Chapman) made so well. Youth sport also ensures that some young people find a positive alternative to drifting into a life of crime and antisocial behaviour. As my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) said, these are all reasons why dismantling support for school sport would be both reckless and short-sighted.

It is also a decision that thus far displays breathtaking arrogance at the highest levels of Government. The Secretary of State for Education wants to be viewed as an intellectual radical reformer and the man to restore the education system to the halcyon days of a mythical glorious past. Yet in the seven months since the election, he has sometimes shown himself to be too clever by half, even for a man of his undoubted intelligence. On this occasion, he has also shown himself to be uncharacteristically discourteous, imposing this draconian cut without ever visiting a school sport partnership, without ever having the decency to meet representatives of the Youth Sport Trust, and showing an astonishing determination not to allow the facts to get in the way of his decision.

It is bad enough to dismantle an infrastructure that has been the catalyst for so much progress, but it is unforgivable systematically to rubbish its achievements, distort its aims and write off sports teachers and coaches as bureaucrats. This has been low politics from people

who claim to be the promoters of new politics. I genuinely say to the Secretary of State that true leadership means sometimes having to say, "I got it wrong," or, at the very least, being willing to change direction. If he fails to do that, he will be a diminished, not an enhanced, figure in this House.

It will not be the kids and grandkids of many of those on the Government Benches who will suffer if the Secretary of State persists with this policy. Private schools have the best facilities, the most expansive playing fields and the best qualified sports coaches. Why should not the vast majority of pupils who attend state schools in our country have the same opportunities? I would have thought that that was a non-negotiable guiding principle for the Lib Dems.

How can the Prime Minister talk of his belief in the big society when the Government he leads are dismantling partnerships that have supported an increase of 800,000 young people acting as sports volunteers and leaders since 2007? That point was well made by my hon. Friend the Member for Ashton-under-Lyne (David Heyes). This Government do not seem to understand that a big society is often dependent on an active state.

Five years ago, on that historic day in Singapore, Britain was engulfed by a wave of pride and patriotism. Against all the odds, we won the Olympic bid on the clear prospectus that we would use the greatest sporting event in the world to inspire a generation of young people through sport. That commitment was made in the knowledge that we had the means and the ambition to transform an aspiration into a reality. Against that background, I ask the coalition, "Do you want your legacy, and our Olympic legacy, to be a generation of young people lost to sport, not because there is a better way or no alternative but simply because one Minister is hell bent on pressing ahead with an ideological approach to education?"

That Minister should consider these words carefully:

"I am devastated to witness the potential demise of this legacy with the sweep of Mr Gove's pen. I wish that he had spoken to me, the teachers in our partnership, our students, our parents and our local sports clubs and providers before telling us that competitive sport in our schools was non existent."

Those are the words of Jo Phillips, a school sports co-ordinator in the Prime Minister's constituency. They should be a wake-up call not only to the Secretary of State and the Prime Minister, but to every Member of the House of Commons.

Our Olympic legacy does not belong to one Government or another; it is the torch that we pass from one generation to the next. That is why we will not rest until the coalition rethinks this decision.

7.10 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): We have had a very good, if truncated, debate, to which passionate and genuine contributions have been made by many hon. Members. I have to say, however, that I think the hon. Member for Bury South (Mr Lewis) attended a different debate, and certainly did not listen to the speech of my right hon. Friend the Secretary of State.

Let me make one thing clear at the outset. This Government, this Secretary of State and this Minister are absolutely committed to promoting sport in schools and outside schools, and to all ages, as beneficial, positive, healthy, team-building, socialising and a fun thing to do. Some of us actually play it as well. The hon. Member for St Helens North (Mr Watts), who is no longer in the Chamber, might like to turn out next Wednesday for the parliamentary hockey team. I shall be leading it in Wapping. I note that his interests include watching rugby and football, but apparently not participating in sport himself. Above all, we want to see more young people engaged in high-quality sport, more often and more competitively, starting younger, for longer and, most important, sustainably into adulthood.

No one is talking about taking sport away from schools, and no one is talking about downgrading sport as an important and exciting part of school life. Head teachers have been responsible for ensuring the delivery of PE and sport in their schools ever since it was made a compulsory part of the national curriculum in 1992, and we have no plans to change that. The Government are not closing down school sport partnerships; what we are doing is ending the ring-fenced funding for them beyond the summer of 2011. Funding was never expected to be of unlimited duration—and, of course, we have still not heard from Labour Members what they would have been able to sustain given the disastrous economic legacy that they bequeathed to the country.

If schools choose to use their own sports funding to buy in the services provided by the school sport partnerships, they will be free to do so. Indeed, if they have been such a success in the eyes of schools, surely that is what those schools will want to do. However, we believe that that should be offered without the bureaucratic, costly, top-down infrastructure that school sport partnerships involve.

Despite the best intentions of the last Government and the best endeavours of many school sports co-ordinators and teachers, we simply are not aiming high enough or achieving nearly enough in return for the massive investment of £2.4 billion in public funding since the partnerships started in 2003. The question, therefore, is not "if" but "how". It is about how we achieve more, how we get more young people involved, and how we change the whole ethos of sport in schools and ignite a spark in our young people that is sustained into adulthood—and not just because it is offered on a plate by a generously funded but highly prescriptive central Government offer.

Jessica Lee (Erewash) (Con): I am grateful to the Minister for giving way at this stage. Let me briefly echo his points. The co-ordinator in my area has worked extremely well, but the difficulties were highlighted by a head teacher in my constituency who said that

"the strategy was both ineffective and also a perfect example of how 'ring-fenced' initiatives can be inefficient and bureaucratic."

Do our children not deserve a better system?

Tim Loughton: My hon. Friend is right. It is a mixed picture.

The network of school sport partnerships did help schools to raise participation rates in a range of areas targeted by the previous Government, and schools should be given credit for that. I pay tribute to the Youth Sport Trust and to Lady Campbell, whom I have met three times in the last six months and with whom I have played extreme frisbee in Sheffield. The fact remains, however, that the proportion of young people taking

[Tim Loughton]

part in competitive sport has remained disappointingly low, and definitions of what count as participation levels are hardly ambitious. I will not repeat the figures now.

What we need to do is enable schools to exercise innovation and autonomy. What interests me is how many inspirational men and women wearing tracksuits are motivating our young people on the sports pitch, not wielding clipboards and filling in forms back in the office. We firmly believe that the ideals of the Olympic and Paralympic games can be an inspiration to all young people, not only to our most promising young athletes. They embody the ethos of achievement and self-improvement that the best schools manifest in their sports provision for all pupils. That is why we want to see a new focus on competitive sports. Truly vibrant, sustainable sporting provision does not depend on a continuous drip-feed of ring-fenced funding, trickling through layers of bureaucratic structure with multiple strings attached. Instead, it must be integrated into the core mission and organisation of each school.

Our Government will get behind schools and teachers and help them to do what they do best: decide for themselves, individually and in collaboration, how to teach and develop their young people. The time for a top-down, centrally driven school sports strategy has passed. The days of a bureaucratic, top-heavy programme that saw extra funding soaked up by management, reporting and form-filling are, happily, passing into history.

What is important is delivering more high-quality sport for more children for longer, not a dogged attachment to the past structures of delivery. This motion from an opportunist and failed ex-Government is not the way in which to achieve that, and I urge Members to vote against it.

Question put.

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 232, Noes 304.

Division No. 133] [7.16 pm

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick

Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Ruane, Chris
Ruddock, rh Joan
Russell, Bob
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and
Lyn Brown

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brokenshire, James
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Lewis, Brandon
Lewis, Dr Julian
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Pickles, rh Mr Eric
Pincher, Christopher
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John

Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Stephen Crabb and James Duddridge

Question accordingly negatived.

Tuition Fees

7.32 pm

Mr John Denham (Southampton, Itchen) (Lab): I beg to move,

That this House believes that the Government should publish a White Paper on higher education in England, setting out the full detail of its plans for higher education funding and student finance before asking Parliament to vote on whether to raise the fee cap; is concerned that major questions about how the Government's market in higher education is intended to work remain unanswered; is concerned that recent graduates will be responsible for repaying loans for up to 30 years because the teaching grant is being cut by 80 per cent.; and urges the Higher Education Minister to bring forward publication of the White Paper.

The motion's aim is clear: the coalition wants this House to vote to increase university fees before Christmas, but we say that the House should not vote before the Government publish their promised White Paper and before they answer the many crucial questions about how the new policy is meant to work. Can there ever have been a debate like tonight's? When was the last time that a Minister—a Secretary of State and a member of the Cabinet—came to the House to defend a policy that he drew up on the same day on which he told the BBC that he might not even vote for it? And the hon. Member for Bermondsey and Old Southwark (Simon Hughes) is clearly an advocate for the duvet strategy, as he tells his Lib Dem colleagues, "Let's pull the bed clothes over our heads and stay there until this nightmare is over." It is humiliating for the Secretary of State, but it takes the arrogance and cynicism of this Government to new depths. Millions of parents and millions of future students are desperately worried about the cost of degrees, but all the Secretary of State is concerned about is saving face for the Liberal Democrats. Now the Deputy Prime Minister is at it, too; he has written today blaming the National Union of Students for putting students off university. This is the man who, in his own contribution to widening participation, said in April that fees of £7,000 a year would be a "disaster". He has no shame.

The coalition will make English students and graduates pay the highest fees of any public university system in the industrialised world; they will pay up to £39,000 in fees and maintenance loans for a three-year course. This is the biggest change in university funding since the University Grants Committee was set up in the 1920s, and it will end funding for the vast majority of undergraduate degrees; there is to be an 80% cut. The Government want a crude higher education market in which student choice and student choice alone shapes the universities system. They have used the excuse of a limited contribution to deficit reduction in the short term to bring in a profound change of funding for the long term. But last week the Minister for Universities and Science admitted that £28 in every £100 loaned to students would have to be written off, and the Institute for Fiscal Studies and the Higher Education Policy Institute have both questioned whether the policy will save any money in the long run. Will the Secretary of State admit that, as the Office for Budget Responsibility report published yesterday said, the cost of borrowing to fund student loans will rise from £4.1 billion a year this year to £10.7 billion in 2015-16, leading public sector net debt to increase by £13 billion by 2015?

Simon Hughes (Bermondsey and Old Southwark) (LD): The right hon. Gentleman and I might have our differences and our arguments, but will he make it clear that the policy that his Government introduced and the policy currently proposed by this Government have in common the same core issue, which is that there are no fees up front? He has not said that clearly so far, and the NUS tried to pretend that it is not the case. If we are going to have a serious debate, it must be on the basis that there is agreement that no student, full-time or part-time, will pay any fees up front. Can he be absolutely clear about that?

Mr Denham: I will come in a moment to the core issue that divides us. The hon. Gentleman is right to say that the fees system that we introduced has no up-front fees—*[Interruption.]* No, the fees system introduced by the previous Labour Government has no up-front fees. The proposals introduced by this Government do not have up-front fees, but let me explain to him what the fundamental difference is between the policy of the previous Labour Government and that of this coalition Government. We took higher education public funding of universities to record levels, and the fees that we introduced brought extra money to the universities on top of record levels of public funding. The coalition Government's proposals are based on an 80% cut in public funding to higher education, and the fees that graduates will pay under their plans merely replace the money that has been cut from higher education; they do not generate additional money. That is a massive difference between the policy of this Government and the policy of the Labour party.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP) *rose*—

Mr Denham: Mr Deputy Speaker, you know me well enough to know that I enjoy debating in the Chamber and I enjoy taking interventions. I am well aware of the huge number of Members on both sides of the House who want to speak, so I will take some more interventions, but just not now. I will make a little progress before I take the hon. Gentleman's intervention, because I am going to make a point that is relevant to him. These plans have huge implications for the devolved Administrations. The cuts will lead directly to reduced funding for Scotland, Wales and Northern Ireland, making their decisions on university funding far more difficult.

This is an enormous decision with profound long-lasting implications. It must not be taken lightly and it should not be taken without all the relevant information being placed before the public and this House, but that is just what the Government want hon. Members to agree to; they want us to vote for a huge rise in fees while they keep every hon. and right hon. Member in the dark about key details of the policy.

Before I set out the key questions, may I say a few words about Lord Browne's report? He was asked to write his report by the previous Labour Government and we should be grateful to him and his team for the diligence with which they set about their work. However, Lord Browne had two central presumptions with which we do not agree. First, we do not agree that 80% of university teaching grants should be cut or that the cost of most degrees should fall entirely on the shoulders of graduates, with it being relieved only if after paying for 30 years they still cannot clear the debt. Secondly, we do not agree that the university system should be shaped by student choice alone.

By common consent at home and abroad, England enjoys a world-class higher education system—not just in the disproportionate number of the world's leading research universities but in the richness and diversity of provision across more than 100 universities and many further education colleges. That did not happen by accident. Successive Governments have been prepared to invest in higher education, but they have also allowed a high degree of institutional autonomy. It is the willingness to trust the academic and professional leadership of universities that has produced the excellence England enjoys today. It should not be lightly set aside.

Mr MacNeil: As the right hon. Gentleman will be aware, the Conservatives and Liberals want to increase tuition fees. Labour introduced tuition fees and the Scottish National party abolished them. On St Andrew's day, will he tell us whether he wishes that when he was in government he had followed the example of the SNP?

Mr Denham: No, I do not. As I have already said, this party put record levels of funding into English universities and the fees raised extra money on top of that. The strategy that has been followed in Scotland has been one of systematically under-investing in universities, to the long-term damage of the university system in that country. I believe that that is a mistake.

Several hon. Members *rose*—

Mr Denham: I would like to make a bit more progress, for the reasons that I have given.

In defending the current system, let me say that it is not perfect. Student choice should be one, but only one, of the means by which it can be improved. On these key points, we do not agree with Lord Browne. There is nothing in the immediate economic circumstance that justifies betting the whole house on a higher education market for which there is neither justification nor evidence.

Of course, the coalition says, "You set up Browne, you should support him." Let us be clear, however, that the coalition is not implementing Lord Browne's proposals either. He says that his proposals are a complete package to be taken as a whole, but in significant respects the Government's plans differ from his. He said that student numbers should rise by 10% over the next three years, that fees should not be capped and that there should be a clawback to deter unnecessarily high fees and that the right to go to university should be determined by academic qualifications. He proposed higher grants for middle income students. On all those things, the coalition has said no to Lord Browne. Last Thursday, at the Universities UK conference, Lord Browne signally failed to endorse the Government's plans, although he was given every opportunity to do so. The coalition's proposals are not Lord Browne's. They are a bastardised, compromised, coalitionised parody of the Browne report.

What are the Government planning to do? Beyond the cuts in teaching grant and the huge rise in fees, it is far from clear. So two weeks ago, I sent the Business

[Mr Denham]

Secretary a series of questions that needed to be answered. I copied that letter to every Member of this House. I thank him for replying last night, but if his reply is the best he can do, he would have been better sending it second class without a stamp. He has failed to answer almost every important question. He says in his letter that waiting for the White Paper would be "unfair" to prospective students and their families, but students need to know exactly how they will be expected to pay back their debt. He says that universities need certainty, but they do not just need to know what the fee levels will be. They need to know what the access rules will be, what their responsibilities will be to fund outreach activities, how many students they will be competing for and how many institutions can offer degrees. None of those questions has been answered.

Steve McCabe (Birmingham, Selly Oak) (Lab): I am grateful to my right hon. Friend. Has he seen the Business Secretary's comments in the autumn 2010 edition of the Lib Dems' "Scottish News Extra"? The Business Secretary likened tuition fees to the poll tax and said that they were an unfair weight around students' necks. He went on to say:

"It surely cannot be right that a teacher or care worker or research scientist is expected to pay the same graduate contribution as a top commercial lawyer."

Is that not exactly what he is going to do to students here?

Mr Denham: As it happens, I am familiar with the autumn edition of "Scottish News Extra". My hon. Friend, wanting brevity, left out the best bit. They are still at it. The next bit of the article says:

"The Lib Dems want to scrap tuition fees across the UK".

They are utterly shameless in what they will say, which can be contrasted with what they will do.

Let me return to the questions that the House has a responsibility to have answered before the vote. Last week, the president of UUK, Professor Steve Smith—I have summarised his speech, I hope accurately—said:

"Students, their families, and our universities, deserve to know the full details of what is planned.

The Government has promised a White Paper. But this has already moved back in its planning from before Christmas to next March. We then expect an HE Bill in 2011. But this is too long to wait for critical details…First, what does the Government plan to do about student numbers?"

He went on:

"The second unanswered question is the future of the teaching grant. How much will there be left in the budget and how will it be targeted…Thirdly, what provision will there be to support programmes such as widening participation?"

The Secretary of State says that he does not want to

"rush to judgement on the sorts of issues outlined in"

my letter,

"such as the future regulatory landscape and the parameters for supply side reform."

Those issues will determine the market in which fees must be set. They are crucial to the decisions that universities have to make in the next three months. Although the Secretary of State does not want to rush to judgment, he wants this House to rush to judgment on introducing the highest fees of any public university system in the industrialised world.

Clive Efford (Eltham) (Lab): I am sure that my right hon. Friend is aware that the Liberal Democrats stood at the last election on a policy of abolishing tuition fees over a six-year period. After legislation, that would have taken us well into the next Parliament—way beyond the period that the coalition has set for dealing with the deficit. Does not that demonstrate that their volte-face on tuition fees is purely political opportunism that means that they completely misled the British people during the election?

Mr Denham: I would have more respect for the Liberal Democrat position if they had not signed up to a total change in the philosophy of funding higher education. As I made clear, this is not a short-term measure because of budgetary pressures while the deficit is dealt with. It is the ending of the public funding of most university degrees. Surely if there was one principle that the Liberal Democrats were defending when they made that pledge, it was the idea that undergraduate higher education should be publicly funded.

Several hon. Members *rose—*

Mr Denham: I shall give way in just a moment, but I want to make a little more progress.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. Friend give way on that point?

Mr Denham: I shall give way to my hon. Friend—[Hon. Members: "Oh!"] He is an extremely distinguished education expert and he deserves to be heard.

Mr Sheerman: Has my right hon. Friend seen last week's article by Sir Peter Lampl in *The Times*? He is a man who has done more for higher education than almost anyone in this country and who is totally unbiased in his politics, and he describes this double hammer blow to higher education as a disaster in a sector where we were world leaders.

Mr Denham: I did see Sir Peter Lampl's article in *The Times*. It was a devastating critique of what is being proposed and it is all the more significant coming from somebody who supported the Labour Government's introduction of top-up fees a few years ago. He is not a blind opponent of graduate contributions but somebody who has assessed the evidence of what enables students from poorer backgrounds to get to higher education and believes that this change will be damaging. Let me be quite clear: universities need to plan for 2012-13. Decisions will have to be taken by universities in the early months of next year, but only the Secretary of State's indolence stands in the way of a full White Paper and draft legislation in January that would allow the House to consider the changes as a whole.

Let me take the issues in turn. How will graduates repay their debt? The Secretary of State said in his letter that

"we have put our costings and calculations in the public domain",

but I had to submit a Freedom of Information Act request for the models before the Government published a so-called ready reckoner. The Library has now discovered that BIS uses a more complex model that has not been published. The Library told me:

"The ready reckoner version which has been published is a simplified version".

So much for openness.

For all the talk of fairness, it is clear that middle-income graduates will pay the most. Library analysis shows that graduates repaying fees of £7,000 a year and a maintenance loan who work in middle-income graduate jobs will have to pay back 84% of a whole year's gross earnings whereas those in the top 10% of earners will pay back less than half a year's gross earnings. Million Plus reports today that the changes will leave between 60% and 65% of graduates worse off with middle-income earners being hit the hardest.

The coalition says that the threshold for repayment will be set at £21,000, but that is in 2016 prices. In real terms, that is the same as the £15,000 threshold that started in 2006 and is due for review next year. That is not generous: it is sleight of hand. Lord Browne said the threshold should be uprated every five years in line with earnings. The ready reckoner published by the Department assumes that it will be uprated every five years in line with earnings, but the Minister for Universities and Science, the right hon. Member for Havant (Mr Willetts), says only that there will be periodic uprating. I asked the Secretary of State whether that uprating would be laid down in law, but his letter is silent on that point. Even the dubious claims made about fairness depend on regular uprating in line with earnings, but if it is not in law it means nothing. The House must see draft clauses, not vague promises, before it is asked to vote on the fee cap.

Andrew Percy (Brigg and Goole) (Con): I have always been opposed to tuition fees, including when they were introduced by the Labour Government. Does the shadow Secretary of State recognise that people such as he and I are in a particularly difficult position? We can do one of two things: play this issue for shameless politics or attempt to come up with an alternative. It is his job to ask questions, but when will he tell us his alternative?

Mr Denham: We have made it very clear that there are choices to make about the pace of deficit reduction. We would deal with the deficit but would not choose to make the reckless cuts across public services that the hon. Gentleman supports. There are also choices to make within Departments and we would not cut higher education funding by 80%. Neither would we want a system of graduate repayment that put all the burden on middle-income graduates. There are choices to be made and the hon. Gentleman should consider these matters carefully.

Emily Thornberry (Islington South and Finsbury) (Lab): Will my right hon. Friend give way?

Mr Denham: I must make some more progress; many Members wish to speak in the debate.

Let me address fair access. The proportion of students coming from lower-income backgrounds has steadily increased, but education maintenance allowances are being scrapped for 600,000 students and Aimhigher is being ended. The ladders of opportunity are being chopped down as we debate tonight. What will happen to the widening participation money that institutions receive because it can be more expensive to support students from non-traditional backgrounds to successful graduation? Will they still get it or will they have to take it from their fees?

The Government want universities to fund outreach. How much of that is meant to come from increased fees, essentially charging students extra for the privilege of being encouraged to go to university? The Government say that universities can charge £9,000 in exceptional circumstances; will the Secretary of State tell the House tonight what "exceptional" means? Will universities that currently do well on widening participation be able to charge £9,000 or will it be only those that do not? Will universities be punished for failing to meet their access agreements?

How will the national student scholarship work? Is the £150 million for one year or for three? Will the Secretary of State tell the House how many students it will cover and at what income level? Will it even cover the students on low incomes who are already in the system? The House needs to know the answers to these questions. If it pays for a free year, will that be just for the most expensive courses in the most expensive universities? If so, why should a student taking a £27,000 course get their fee cut to £18,000 while a student taking a £24,000 course will still have to pay £24,000? Where is the fairness in that? If it is available only for some universities, where is the fairness for poorer students in other places?

We all want the Government to ensure fair access, but until these questions are answered all this is only warm words—and the Secretary of State will not answer. All that he will say is that if the fee cap is raised, he

"would expect to write a letter of guidance to the Director of Fair Access."

Shuffling off responsibility like that will not do. He must know what exceptional circumstances means—he just will not tell us. But if he wants to hide behind the director of fair access, let him write to Sir Martin Harris today asking him to bring forward proposals in the new year so that the House can consider them before the fee cap comes to a vote.

Universities are over-subscribed, so it matters to students how many places there are. The fees that universities charge will depend on how student numbers are controlled and distributed. The Secretary of State says:

"We will need to continue the type of student number restrictions that the previous government imposed in order to control public spending costs".

That is an extraordinary response because student numbers are tightly controlled both overall and by institution. If that does not change, they will not get their market. There will be no competition and no incentive to change. It will be the worst of all possible worlds with the highest fees, little or no new money for universities and no change. It makes a nonsense of everything the Government have said and we need to know what they really have in mind.

Will there be new private universities competing with public universities and will they get public funding as Browne proposed? The Secretary of State has said:

"We will set out proposals on new providers of higher education in the White Paper",

but the House should know before we vote on the fee cap. What about part-time students? Yesterday the Government slipped out an impact assessment which said that

"we estimate that around two thirds of part-time students will not be eligible for fee loans. At the same time, the withdrawal of teaching grant might mean that fees are increased across the

[Mr Denham]

board (including for students not eligible for fee loans). This could have a negative impact on part-time participation overall."

Is this what he means by a fair deal for part-time students? What about universities that train teachers? Their funding will be cut and their MPs will be asked to raise fees before Christmas, but the Department for Education's proposals on funding teacher education will not be published until after Christmas.

We have no guarantees on fair payments, no guarantees on fair access, no guarantees on fairness for part-timers and no guarantees on student numbers. There are all these unanswered questions but the Secretary of State wants to push the vote through so that the hon. Member for Bermondsey and Old Southwark can come out from under the bedclothes. These questions could all be answered by a White Paper before we vote, but the Business Secretary does not have a good record on White Papers. He promised us a growth White Paper in October, but it did not happen. It was then promised for November, but it did not happen. Yesterday, the Chancellor confirmed what officials had already told the *Financial Times*—that it was not going to happen because there was nothing to put in it.

With higher education we do not know whether the Business Secretary does not know what to put in a White Paper or does not want to tell us. He could publish the White Paper, produce draft legislation on repayments and have the vote on fees all in January. We all have plans for Christmas, but this is the day for him to tell the House that he cares more about the future of our great universities and our young people than he does about the chance to appear in a celebrity edition of "Strictly Come Dancing".

Mr Deputy Speaker (Mr Lindsay Hoyle): Mr Speaker has decided not to select the amendment.

7.59 pm

The Secretary of State for Business, Innovation and Skills (Vince Cable): I urge the House to oppose the motion. I agree with the right hon. Member for Southampton, Itchen (Mr Denham) that this is a very serious and big issue. It arouses strong emotions—there are people out on the streets protesting about it—and I think we deserve something a little better than this anticlimactic procedural motion about whether to proceed with a vote before or after a White Paper. Surely, this is an opportunity for him to set out alternatives.

Clive Efford *rose—*

Vince Cable: I will deal with interventions later.

The right hon. Member for Southampton, Itchen gave a revealing answer to an intervention from one of my colleagues, in which he acknowledged that there are alternative ways of allocating funding in my Department and in the Government. He did not tell us what they were, but we should examine those choices in detail. The House could reasonably expect, in this massive issue that arouses massive emotions, to hear some indication of what the main Opposition party envisages as an alternative to what the Government are doing.

It has never been explained in the House, but we hear on the grapevine that an alternative idea—the graduate tax—is doing the rounds. Personally, I was instinctively quite attracted to that idea, and we had it very carefully examined. I do not know exactly what the proposal is—whether it is what has been called a pure graduate tax or a system of graduate contributions of the kind we are introducing, which relates payment to the ability to pay. I do not know what the Opposition propose. What is their alternative?

The right hon. Gentleman and his colleagues set up the Browne commission process to examine the options in detail and in general principle. It roundly condemns the alternative that I believe he favours—although I am not quite clear. His Government were in power for 12 years, overseeing student financing and acting on the basis of the Dearing report, which comprehensively demolished the arguments for the alternative the right hon. Gentleman now says he favours, so what is that alternative? What is it?

Clive Efford: Will the right hon. Gentleman give way?

Vince Cable: I am not giving way at the moment; I may do so later.

What is the Opposition's alternative? It is perfectly legitimate to ask questions and we shall try to deal with them. What is not legitimate is to create this enormous moral furore, with absolutely no alternative strategy whatever.

Several hon. Members *rose—*

Vince Cable: I shall deal with interventions in a moment.

I remind the right hon. Member for Southampton, Itchen that Members from all parties are skating on thin ice when it comes to student financing. He was in the House at the time, so he will remember the pledge on which he campaigned. The right hon. Gentleman quoted our pledge, so I shall quote the pledge on which he campaigned:

"We will not introduce top-up fees and have legislated to prevent them."

He and his colleagues then voted to do just that.

Toby Perkins (Chesterfield) (Lab) *rose—*

Vince Cable: Wait a moment. I shall deal with interventions later.

There was no coalition agreement. The Labour Government had a majority of 167. There was no financial crisis. At the time, the Chancellor of the Exchequer was going round telling us that Britain was outperforming every Government since the days of the Hanoverians. There was no economic crisis, yet the Labour Government introduced a system that transferred the burden of paying for universities from the state to individual graduates. They introduced it. We are now dealing with a real crisis and we are trying to deal with it in a coalition context. That is the issue the right hon. Member for Southampton, Itchen has to address.

Mr David Lammy (Tottenham) (Lab): Does the right hon. Gentleman want to withdraw that last statement? It is wrong to suggest that the current arrangements withdraw funding from the state. He knows that his cut of 80% does that.

Vince Cable: What on earth were top-up fees designed to achieve? They were designed to get graduates to pay instead of the state—that was the whole point.

Emily Thornberry: If the right hon. Gentleman could have his time again, would he be for or against student fees?

Vince Cable: In the context in which we are now operating—an extreme financial crisis—I am introducing a policy that is a great deal more progressive than the one Labour left behind.

There is a problem, and before I move to the specifics, I shall deal with where the Opposition are coming from, particularly their new leader. Last week, he told the press that he was "tempted" to join the student demonstrations. He has had three days praying in the wilderness, dealing with the devil and deciding whether he wants to succumb to temptation. I do not know whether he has, but if he does, and if he addresses the students, I have been trying to imagine what he will tell them. I think the narrative would go something like this: "We feel your pain. We feel your sense of betrayal by the Government and the Liberal Democrats. We have applied our socialist principles, and we are going to produce a fairer system and lead you to the promised land. What are we offering you? What is our policy? Our policy is delay." The policy is delay—procrastination. There is a new mantra for the National Union of Students executive: "What do we want?" "Delay." "When do we want it?" "Well, maybe next year—probably." That is the alternative on offer.

I shall now deal with the core issue—the right hon. Member for Southampton, Itchen himself identified it: how do we finance higher education? The last line of his motion is the only one with any substance; it relates to money and the 80% cut in the tuition grant. That is a serious issue, so let us try to deal with it.

The right hon. Gentleman was an education Minister so he knows perfectly well that there are three separate funding streams for higher education: student support, research and tuition. When we look at the picture as a whole, we see that at the end of the Labour Government about 60% of all student funding came from the state and the other 40% came from the private sector, from graduates and overseas students. As a result of the changes we propose, approximately 60:40 will become 40:60. It is a mixed economy and the state contribution is being reduced.

The question is whether that number is right. Should it be more or should it be less? If the state is to contribute, where should the money come from? The issue we all have to face is this: when we came into government, and I came into this job, I knew that my predecessors were going to cut the Department that I lead by between 20% and 25%. That was the Institute for Fiscal Studies' analysis, which has never been denied. It is clear from the logic of not having protected Departments that that would have happened. That was in a Department, 70% of whose funding goes to universities. If the Labour Government were not going to cut the tuition grant for universities, we have to ask where the money would have come from.

I shall set out the range of alternatives. A 50% cut in further education was one possibility; another was a 40% cut in science and another was a 45% cut in the innovation and enterprise budget. We know that the previous Government would not have gone down several of those routes; they committed themselves to increasing the science budget by even more than us. I think the Labour spokesman on science made that very clear at our Question Time last week. The Opposition were not happy that we had maintained the science budget; they want to go even further. At BIS questions, they constantly raise the issue of regional development agency funding—they want to spend more money on that. Where will the money come from? Is it from the cuts they were committed to?

There is a choice. We understand that. What could have happened, although the Opposition have been very quiet on the subject, is that instead of raiding the universities, they could have made drastic cuts in the further education budget. That was the real choice: the further education budget for vocational training for young people who do not go to university. It is almost certain—indeed, it was being put in place when I joined the Department—that cuts in further education were already in train. The right hon. Member for Southampton, Itchen has quite properly spoken of the substantial increase in funding for universities under his Government, but he did not point out that the further education budget did not increase at all. I think it actually fell in real terms. That reflects Labour's priorities.

Mr Denham: That last point is wrong. Does the right hon. Gentleman accept that this whole argument is a farrago of nonsense because it is based on a premise about the level of the BIS budget that is wrong, as has been set out clearly by my right hon. Friend the shadow Chancellor—*[Interruption.]* I do not want to prolong the intervention. The problem is that the coalition Government insist on denying what they are constantly told. The vote on fees will be a vote not on the policy of the Opposition but on his policy. Why will he not answer the questions that I properly put this evening? Why is he spending all his time doing anything other than answering the questions that I put?

Vince Cable: I will explain in a few minutes why I do not think delay is the sensible option. The right hon. Gentleman acknowledges, and his Opposition motion states, that this is essentially an issue about money and priorities. That is why I am persisting with the question.

It is possible that the Labour Government were not intending to cut further education. There were other options available. They could have cut universities without cutting the tuition grant. How could they have done that? They could have done so by drastically reducing the number of students, a course of action that, I believe, the National Union of Students prefers. But clearly it would be wrong, and the right hon. Gentleman knows perfectly well from experience and research that increasing the number of university students is one of the best ways of promoting social mobility. So I assume that that is an option that the previous Government would not have taken.

We are left with one other basic option. What we could have done—it would have been an easy way out and we would have avoided many of the difficulties that we are having politically—is to have taken the money out of the budget and let the universities get on with it, not raised the cap. The student representatives might

[Vince Cable]

well have applauded that. We would have avoided all the difficulties that we are discussing tonight, but the effect would, of course, have been to starve the universities of funding, and our world-class universities would have been undermined.

Given the funding constraints, which the right hon. Gentleman faced as well, we had no alternative but to ask well-paid graduates to make a contribution later in life to the cost of university education.

Several hon. Members *rose—*

Vince Cable: I will take one intervention.

Hugh Bayley (York Central) (Lab): I do not need to remind the right hon. Gentleman about the pledge to scrap tuition fees, but perhaps I do need to remind him that the Liberal Democrats' manifesto said that policy

"is affordable even in these difficult economic times, and without cutting university expenditure".

The right hon. Gentleman is widely regarded as an expert on economic affairs and the downturn. Did the Lib Dem manifesto get its economics so very badly wrong, or would a lesser policy of maintaining the status quo be affordable?

Vince Cable: The hon. Gentleman may have forgotten, but I think he was a Member of the House when his party committed itself to not increasing tuition fees, under conditions where there was no financial pressure at all. We face severe financial constraints. That is the reality.

Several hon. Members *rose—*

Clive Efford: Will the Secretary of State give way?

Vince Cable: No. I will continue.

We were driven to the logic of the Browne report, which the right hon. Member for Southampton, Itchen and his colleagues set up. In responding to it, we have done two things. First, one of the questions that I asked Lord Browne, which it never occurred to the right hon. Gentleman and his colleagues to ask, was how do we make the system more progressive? I had to ask Lord Browne that because it was not part of his terms of reference. As a result, the Browne report has come out with a series of recommendations, many of which we have accepted, that make the system significantly better than the one that we inherited.

Let me deal with one of those measures, which relates to part-time students. The right hon. Gentleman talked about part-time students, but he forgot to mention that their fees were left unregulated by the previous Government. He has not mentioned that two thirds of part-time students are postgraduates. That explains the anomaly and his question. For part-time students reading for their first degree, under the changes that we are going to introduce, there will be no up-front fees, which was the arrangement left behind by the previous Government. Part-time students get a significantly better deal under our proposals than they would have done under the Opposition.

Frank Dobson (Holborn and St Pancras) (Lab): Will the right hon. Gentleman give way?

Vince Cable: I will take the intervention when I have finished the point. I am interested in the right hon. Gentleman's views.

The second point that Browne adopted at our request in order to make the system more progressive was significantly to raise the threshold. The right hon. Member for Southampton, Itchen asked legitimate questions about the pricing of the threshold and what that means in real terms. Those are valid points, but he did not point out that when the Labour Government introduced their threshold they did not increase it at all. So we are making a perfectly valid comparison between £21,000 and £15,000, whether those are in today's prices or 2015-16 prices. It is a significantly better system in which large numbers—roughly 25%—of low-paid graduates will be better off under our proposals than under the system that we inherited from the Labour party.

Frank Dobson: I have the honour to represent Birkbeck college. Has the right hon. Gentleman just said that people who already have a degree and go to Birkbeck for another one will not get any help?

Vince Cable: The arrangements for second degrees under the existing regime are quite different, as the right hon. Gentleman knows, from the arrangements for first degrees. The proposal is that we treat first degree part-time students considerably more favourably than they are treated under the existing arrangements. If he checks back with Birkbeck college and with the Open university, he will note that those universities regard our proposals as a significantly better arrangement than the one they currently have.

Several hon. Members *rose—*

Vince Cable: I will take one more intervention.

Shabana Mahmood (Birmingham, Ladywood) (Lab): The Secretary of State is obviously having a difficult time answering questions about his policy in any detail. Let us try a straightforward question—yes or no. Is he going to vote for it? *[Interruption.]*

Vince Cable: Thanks to the shouting of the hon. Lady's colleagues, I could not hear a word she said. Would she like to repeat the question?

Shabana Mahmood: I am happy to repeat the question. The right hon. Gentleman is obviously having a difficult time answering any questions about this policy. I am asking a straightforward question—yes or no. Is he going to vote for it?

Vince Cable: I have made it absolutely clear in all the interviews that I have given today that my wish and strong inclination is to vote for a policy that I believe in passionately—*[Interruption.]* This is a policy that I believe in. It is a significantly better policy than I inherited. It is right.

The hon. Lady knows, because it operates in her party as well as in mine and in the Conservative party, that decisions on who votes are taken collectively. We

will take a collective decision—*[Interruption.]* The hon. Lady asked me a question. I am trying to give her an answer. *[Interruption.]* Does the hon. Member for Kingston upon Hull East (Karl Turner) want an answer or not? We will make a decision based upon the coalition agreement as it affects my colleagues and our Conservative coalition partners. That is how we will vote, and we will do it in a disciplined way, but my own views are clear. *[Interruption.]* This is a significant—

Mr Deputy Speaker (Mr Nigel Evans): Order. Would hon. Members now please be quiet? I am finding it incredibly difficult to listen to what the Minister has to say, and if I cannot hear him, neither can they.

Vince Cable: Opposition Members will discover, when the regulations are introduced—

Clive Efford: Will the Secretary of State give way?

Vince Cable: No, I will not give way again. I have answered the question.

We will decide how we are going to approach the matter, under the coalition agreement. I am clear that the policy is significantly better than the one that we inherited. I am responsible for it and I have every intention of continuing to promote it.

Shabana Mahmood: Will the right hon. Gentleman give way?

Vince Cable: I have answered the question. Let us move on.

Clive Efford: Will the right hon. Gentleman give way?

Vince Cable: No, I will not give way again. I have dealt with the issue.

The issue of the Browne commission was raised, and I have made the point that I asked the commission to produce a policy that was significantly more progressive than the one that we had, and Lord Browne has done so. We have not accepted the commission's report in its entirety, however; we have made significant changes to make it a better policy.

Ian Murray (Edinburgh South) (Lab): Will the right hon. Gentleman give way?

Vince Cable: Will the hon. Gentleman sit down and let me finish the point?

The Browne report—a report commissioned by the right hon. Member for Southampton, Itchen and his colleagues—recommended no limit on caps. I do not know whether the right hon. Gentleman remembers that. No limit was proposed, but we have proposed to limit the cap to a manageable and reasonable level that reflects the costs of universities. The report also suggested that—

Clive Efford: Will the right hon. Gentleman give way?

Vince Cable: No, I am not giving way again.

The report also suggested that caps should be lifted without appropriate conditions for universities, but we are going to introduce those conditions. Let me explain them. We have responded in the circumstances that I have described to the need to make financial decisions; we have produced an outcome that a Labour Government would almost certainly have followed in very similar terms; and we have produced a policy that is more progressive than the one we inherited and better than the Browne report.

The right hon. Gentleman poses a question about delay. What are the merits of delay as opposed to proceeding immediately? There are several reasons why it is desirable to make progress. First, the Browne commission was itself an extensive consultative process, and the right hon. Gentleman knows because he helped to set it up. There was substantial discussion and public hearings, and he probably deserves some credit for having established an extended process that was so open. Many of those debates have already been had, therefore, and the evidence is available on which to make decisions.

The second point is a practical one, which I am sure that the right hon. Gentleman understands. If the cap is going to be introduced for the academic year 2012-13, it has to be introduced quickly. There is a practical reason, and that is why we have to proceed, but there are a series of issues—he has listed some—on which we clearly need to consult and reflect further. He quite rightly says that we need more detail on the national scholarship scheme, and we have suggested that an arrangement could be used to benefit students from low-income families by providing free tuition through, let us say, the first year of their university career.

There are different ways of approaching the problem, and we would like to talk to the National Union of Students and to university bodies about the best way of giving incentives through the scholarship scheme to low-income families. The current arrangements do not work well, as the right hon. Gentleman knows because he presided over the policy for some years. We have not achieved the level of participation in higher education by families from that background that we should have. After his period in office, 57% of all pupils in higher education came from advantaged areas, and only 19% came from disadvantaged areas. Surely, after the failure of programmes such as the bursary scheme, it is right that we reflect on and consider the best way of using Government money to achieve higher participation.

The right hon. Gentleman asks also about the access conditions, and again it is surely right that we consider all the evidence available. I will write to the regulator about how the situation can be improved, but, if the right hon. Gentleman's party has anything to tell us from its experience in government, I shall be very interested to hear it, because his Government set up the regulator six years ago, I think. As a result of that experience, the relative position of low-income students trying to get into the top third of universities has deteriorated. Their conditions of access failed as a matter of policy. Surely it is right that we consider further how we can make the policy work, and we shall do so.

Mr Denham: Before the right hon. Gentleman moves further beyond the Browne report, I must note that he referred to one issue that was at the core of the report: the uprating of the threshold. He and the Minister for Universities and Science have not yet said whether Browne's proposal to uprate the threshold every five

[Mr Denham]

years in line with earnings will be made a statutory commitment. The Secretary of State has published figures that, he claims, show the system to be progressive—based on uprating by earnings every five years. Will he now tell the House whether that will be a statutory commitment?

Vince Cable: I can confirm that it is our firm intention to do exactly that. Whether the measure requires embedding in a statutory instrument is a matter on which we will seek advice, but I am very confident and very happy to have that commitment—the uprating by earnings of the threshold—made firm by law. How it is done—through a statutory instrument or subsequently—is a matter on which we clearly need advice. The right hon. Gentleman is quite right to ask the question, but he should perhaps remind Labour Members that he had an opportunity to uprate thresholds and never did so when in government, despite the fact that his Government's financial position was more comfortable than the current one.

Clive Efford: The right hon. Gentleman is missing one important point in this debate. Throughout the country, students are demonstrating not because of his technical arguments, but because the Liberal Democrats made a point of saying one thing to them at an election and started to say something completely different within hours of the ministerial cars turning up. Students are listening to what he says tonight, and what they want to hear is, is he going to vote for the proposal, yes or no?

Vince Cable: I thought that that intervention might be worth waiting for, but the hon. Gentleman merely echoes his next-door neighbour on the Opposition Benches, the hon. Member for Birmingham, Ladywood (Shabana Mahmood), to whom I have given an answer.

I have sought to answer in correspondence some of the questions that the right hon. Member for Southampton, Itchen has asked, and I am happy to debate the technical points and to correspond further with him, because my colleagues should rightly have as much information as possible. That is how we intend to approach the debate. He said that the costings and calculations were not made available, but they have been made available—to him, his colleagues and the Institute for Fiscal Studies. The models are very complex ones that produce different outcomes depending on assumptions, and we are very happy to share them. We could have hidden them in a black box and pretended that the outcomes were true, but we have shared the assumptions and analysis and are happy to continue to do so.

Stephen Williams (Bristol West) (LD): Debates at elections and the Browne report's methodology have been mentioned several times, but is not one of the fundamental flaws in the deliberative process that Lord Browne went through the fact that, although the report could have been published before the general election, the then Secretary of State, Lord Mandelson, deliberately made sure that we could not have a constructive debate during the campaign, because the Labour party knew that the report paved the way for a rise in fees?

Vince Cable: Well, my hon. Friend knows the background, as he was shadowing the portfolio at the time and spoke to the individuals involved. He makes that point, and it is useful that I finish on this note—

Ian Paisley (North Antrim) (DUP) *rose—*

Shabana Mahmood *rose—*

Roberta Blackman-Woods (City of Durham) (Lab) *rose—*

Vince Cable: No, I will not take any more interventions.

The right hon. Gentleman and his hon. Friends commissioned the Browne report knowing perfectly well that what would follow from it was a recommendation significantly to increase the cap level for universities. That is what they were committed to, and that is what they would have done. We know, because of the financial position of the country and the commitments made by the former Chancellor and by my predecessor, that there would have been deep cuts in this Department resulting in a very substantial reduction in the support for universities, the consequences of which were inevitable.

It is sheer dishonesty and opportunism—*[Interruption.]* It is dishonest and opportunistic for the right hon. Gentleman and his colleagues to pretend that they would have done anything other than introduce recommendations to increase the graduate contribution, but with one significant difference from what we have done, because it never occurred to them that the graduate contribution should be made significantly more progressive. That is what we have done, and that is the proposition that I will be putting to the vote before Christmas.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. As hon. Members can see, a large number of hon. Members wish to contribute to the debate. The Speaker has therefore imposed a five-minute limit on speeches.

8.30 pm

Hugh Bayley (York Central) (Lab): Spending money on universities is not wasteful or unnecessary public expenditure. We need universities because they drive economic growth through the skills they impart to students and the new knowledge they unlock through research. The UK has some of the best universities in the world. One of the reasons the UK experienced stronger economic growth over the past decade than other countries in the European Union is that we have better universities and so a better knowledge base for our businesses.

York has two exceptionally good universities, and they have helped to drive economic growth in the local economy. Between 1997 and 2009, the number of jobs in York grew from 44,000 to 60,600—a 38% growth, far outstripping the national or regional average. Many of those jobs are high-tech, high-skill jobs, but they bring lower-skill jobs in their wake. The importance of universities is not lost on our economic competitors. State investment in universities grows apace in India, China and many other countries. Indeed, other OECD countries, which, like the UK, are having to cut their public expenditure, are also, almost without exception, increasing spending on higher education because they know that it will aid recovery.

Only the UK and Romania are cheese-paring their universities. I have first-hand experience of cheese-paring, because I was an academic at the university of York in the late 1980s and early 1990s, when the last Conservative

Government cut funding. Two years ago, Chris Patten, a former chairman of the Conservative party, made a speech in which he said:

"In just over a decade we doubled the number of students and halved the investment in each",

which led to

"poorer pay, degraded facilities, less money to support the teaching of each student".

I did not sign the National Union of Students pledge before the last election, even though I am a former vice-president of the NUS, because I knew that universities badly need extra money. I thought that a modest increase in what students pay after graduation would have been fair had there also been an increase in Government funding, but I cannot support the Government in increasing fees by some £5,000—almost £6,000—and cutting the tuition grant to universities by 80%.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Does the hon. Gentleman welcome the announcement made by the Welsh Government that fees will not be at full or near-full cost for Welsh-domiciled students, which achieves one of the key pledges of the One Wales agreement between his party and mine?

Hugh Bayley: I have not seen that statement, but I will look at it closely.

I cannot support the Government's plans because they are reducing state funding for universities. That is a betrayal of the country's future and a betrayal of the future of this country's young people, especially young women. The Liberal Democrat manifesto pledged:

"We will...Tackle the gender gap at all levels of scientific study and research".

The Library's research paper on higher education funding, published on 23 November, reveals that women make up more than 80% of the bottom half of graduates by lifetime income and just over 1% of the top 30%. Yet the same paper says that average repayments as a proportion of lifetime income are more than twice as much for the bottom 50% as for the top 10%. That reveals how regressive and unfair the Government's proposals are to women.

Under Labour, higher education funding increased by 25% and undergraduate numbers increased by 20%. The number of young people from York going to university for the first time increased from just over 2,000 in 1997 to more than 3,000 in 2008. York's two universities received more than £150 million in capital from the Government between 2000 and 2010, rising from £500,000 a year at the start of the period to £28 million at the end. Now that legacy is being swept away by Lib Dem and Conservative spending review policies. It is no surprise that there is anger on the streets of this country—the big society seems to be finding its voice.

8.35 pm

Mr Rob Wilson (Reading East) (Con): I welcome Lord Browne's report and the six principles on which it was based, in particular those of increased student choice and of everyone having the potential to benefit from higher education, no matter what background they come from. It was an excellent piece of work, and was set up by the previous Labour Government, but it has apparently been rejected by Labour in favour of a graduate tax—although I have difficulty understanding what the Labour party's policy is, because it seems to be using a blank sheet of paper, and I am not sure what is on it at any given time.

Lord Browne specifically rejected a graduate tax, and the case against a pure graduate tax is damning. The shadow Secretary of State complained that graduates will be repaying loans for up to 30 years, yet they would pay his graduate tax for the rest of their working lives, resulting in some graduates paying the cost of their courses many times over. In addition, most graduates would have to repay separately any debt incurred for living costs while studying.

There are serious questions about the ability of a graduate tax to produce the necessary revenue to fund higher education. Faced with the record budget deficit left by Labour, a graduate tax would mean the Government having to spend an additional £3 billion a year for at least the next five years. According to the Browne review estimates, a graduate tax would not produce enough revenue to fund higher education until 2041-42. Importantly, a graduate tax would not give universities any additional incentive to focus on the quality of the teaching or student experience that they offer. The Browne review concluded that

"the graduate tax significantly weakens universities' independence"

and that their relationship with students would matter "much less". That cannot be the modern, forward-looking, 21st-century higher education system that we want for this country.

The shadow Secretary of State complained recently, as he did tonight, that the Government's reforms will

"create a market in which solely student choice, shapes the size of universities and courses on offer."

I wonder what he fears from a model under which students are fully empowered and can make informed decisions about the type of higher education that is best for them. Labour has always disliked personal choice because it instinctively prefers command and control structures, operated from the centre. Is the Labour party really suggesting that successful and popular universities should continue to ration places, forcing ambitious students to settle for their second or third choice? Universities are at their best when they are not dependent on Government for too much of their funding. Without some sort of market, there is no pressure for universities to improve their teaching quality or their student support to attract more students.

Mr Lammy: Will the hon. Gentleman give way?

Mr Wilson: No, I will not because I have only one minute and 45 seconds left.

I say to my right hon. Friend the Secretary of State that the reforms must not be half-hearted. If we are continually to drive up quality throughout the sector, there must be no student numbers cap for individual institutions. We must not be in a position under the new system where the state steers students into university courses that they do not really want to do and forces them to settle for second best. In the past, that has been done for the best, if misguided, intentions, but it is wrong to keep underperforming universities in their current form at the expense of the quality of the higher education that the student receives.

[Mr Rob Wilson]

Facing up to the reality of higher education finance involves very hard choices, which the Opposition do not seem to want to take. It also provides a great opportunity to reform our university system for the benefit of all students and society in general. Faced with higher contributions after graduation, students should demand more from their university. Prospective students will rightly think much more carefully about their choices and demand more information about their university, such as its teaching quality, student support and the employment destinations of other graduates. That will force universities to ensure that their courses really offer value for money and provide evidence of that fact. Once some universities start to account for their performance, if others fail to follow suit students and parents will ask what they have to hide. That will be an incentive for universities to become more innovative, for example by offering shorter degree courses.

8.40 pm

Paul Farrelly (Newcastle-under-Lyme) (Lab): Seven years ago, I helped to co-ordinate the Labour Back-Bench opposition to variable tuition fees and a market in higher education, both before a White Paper that was published a whole year before the vote and subsequently. I did it on a point of principle. I felt that I had not come into politics to make it more difficult for people like me, from my sort of background, to go to university, or to put young people who were qualified and determined to go to university, as I was, in a situation in which the price of a university course became just as much a part of the equation as what to study and where to go.

The Prime Minister and the Chancellor may not quite be on that wavelength, but I hope that the leader of the Liberal Democrats will realise that today there are still many young people in Sheffield, as in areas such as mine, on whom there is pressure to go out and work and contribute to the family income at 16. That is why the prospect of debt is important. It is another argument used to put pressure on young people not to go to university.

Labour Back-Bench pressure had real results on the market in higher education, which Liberal Democrats in particular might heed before rushing for an early vote on fees. First, right up until Labour's White Paper went to print, the Russell group had expected fees of £5,000. It was no magical typesetting fairy that secured the cap at £3,000, it was simply Back-Bench strength and Government fear of defeat. As everyone was charged £3,000, no real market was created.

Mr MacNeil: As a student in the late '80s and early '90s, I followed people who are now Labour MPs in marches against loans, and then I saw those same people move on from the National Union of Students, become Labour MPs, get on television and advocate tuition fees. Was it a mistake for Labour ever to introduce tuition fees, and is the argument about whether they should be £3,000 or £6,000 just a matter of scale?

Paul Farrelly: The scale is certainly important. The level of debt that students acquire is fundamental to the argument about where the Government are going.

The second thing that we achieved was to secure better student support, through grants and new bursaries. Those changes to support were vital in offsetting the deterrent effects of higher fees on less well-off students. That is why anyone on the Government Benches who has concerns—not just Liberal Democrats—should insist on seeing the whole package in a White Paper before rushing to a vote on fees alone.

Thirdly, we gave MPs an opportunity to debate the matter by securing as part of the compromise the democratic handle that now exists, so that the cap could not be raised by the stroke of a Minister's pen or by a Committee upstairs, hand-picked by the Whips. Instead, we ensured that there had to be a vote on the Floor of the House, so that we were all accountable for our votes.

Those days seem rather distant now, but after 2001, we had an enormous majority—I think about three times the size of the coalition's majority now. Yet on Second Reading, 74 Labour MPs, including myself, still opposed the proposals, which is 17 more than there are Liberal Democrats in the House now. Every Liberal Democrat joined us in the Lobby, as well as all but one Conservative, and the Government scraped through by five votes, such was the level of concern.

I am rehearsing this trip down memory lane not to make myself popular with Whips with long memories but to prick the consciences of every Liberal Democrat, in particular, and to show what can be achieved by standing up and being counted. If most of the 57 Liberal Democrat Members who signed their election pledge stuck to their guns, we would once again prevent a market in higher education. They have much more leverage than we did, but seven years ago, Labour Back Benchers changed the policy enormously by taking up the battle.

I shall talk about the evidence later—anyone who cares about equality of opportunity will know that sound evidence should underpin sound policy—but as a slight detour, I shall shine some light through the fog of excuses that the Lib Dem leadership have been using to cover themselves. They said that the financial situation they found in government was worse than they expected when they made their manifesto pledge, but that is patently untrue, because the Treasury's own numbers showed a movement of £5 billion to the better in projected debt from April to May this year.

Neil Carmichael (Stroud) (Con): What did the hon. Gentleman expect when Lord Browne produced his report, because it was set up by Lord Mandelson, who I understand is becoming more and more popular in the Labour party? What did the hon. Gentleman and his hon. Friends think Lord Browne would say?

Paul Farrelly: I would have expected Lord Browne's report to be put to the House, so that hon. Members could make their minds up on whether they agreed with it or not. I certainly did not expect a report that was not totally independent. It was shaped by the new coalition because the expectation was for an 80% cut in teaching grants. The notion that the report was truly independent is a fallacy.

The Liberal Democrats also said that we face Greek contagion, and how the promise of not 25 or 50% cuts, but 80% cuts in teaching must soothe the bond markets.

They have tried to shift the goalposts. At Prime Minister's questions recently, the Deputy Prime Minister, in a there-you-two-go-again moment, said:

"We all agree…that graduates should make some contribution"—[*Official Report*, 10 November 2010; Vol. 518, c. 281.]

The trouble is that the Liberal Democrats never agreed that there should be a contribution. When the Business Secretary announced the U-turn, the Lib Dem website was still advertising, in the "What we stand for" section, their six-stage plan to abolish fees entirely. We know through leaked documents that the Lib Dem leadership planned to ditch the pledge all along if the coalition dream came true—as the first casualty, with no hard bargaining. I am sorry that the Deputy Prime Minister and leader of the Liberal Democrats is not in the Chamber because that is not new politics; that is time-dishonoured, old-fashioned cynicism. The only thing that has changed is that the Lib Dems are finally in government. No wonder students are demonstrating and no wonder that Lib Dem voters feel betrayed.

The new policy is not only a breach of faith, but according to the evidence, a large leap in the dark. Under Labour, the participation of people from less well-off backgrounds at university did not decrease, but frankly, neither did it rise dramatically. What seems to have occurred is common sense: improvements to student support helped to offset the deterrent effect of fees, debt and its perception. It has also become more normal for young people to want to go to university. There is similar evidence from overseas of what happens when fees are introduced—from Australia, Canada and New Zealand—yet there is also plenty of evidence of the harmful effects on participation from big increases in fees.

At some of our universities, participation has a shockingly low base, likewise in some of our professions, including medicine—the same is true of the US Ivy league—yet those are the places and courses that will charge the highest fees. Comparatively, our fees will be more than the general level in Australia, New Zealand and Canada, yet when Canada lifted the fee cap on courses such as medicine, there was a large fall in participation. It is hard to see what in the coalition's policy will improve participation, but I fear that much of it will make the situation worse.

8.48 pm

Mr John Leech (Manchester, Withington) (LD): I welcome the opportunity to speak in this Opposition day debate. When I heard that it would be on the important issue of the future of higher education funding and the contribution that graduates will be expected to make, I thought that we would finally get to hear what the Labour policy on that is. The Leader of the Opposition supports a graduate tax, and the shadow Chancellor of the Exchequer does not support that, so this was Labour's first opportunity to make it clear how it would fund higher education. What a disappointment the Opposition motion is. It is bluster and waffle, and contains absolutely no policy. It is yet another example of shameless opportunism and opposition.

The coalition Government should take no lessons on tuition fees. It is worth reminding the House time and time again that it was the Labour Government who introduced tuition fees, after making an explicit manifesto commitment that they would not do so, and with an enormous Commons majority. It was also the Labour Government who were responsible for setting up the Browne review, with the explicit intention of increasing fees. But because they knew that it would be unpopular, they cynically delayed the outcome of the review until after the election to avoid losing votes.

Nobody should be duped into believing that Labour would not be proposing increasing tuition fees if they were still in government. The only difference would be that a Labour Government's proposals would be an extension of the unfair and regressive tuition fees introduced by the previous Labour Government. All graduates would have been worse off, and we would not be expecting our wealthiest graduates to pay a reasonable contribution.

This evening, I want to make it very clear that I do not support a rise in tuition fees, and I have made it clear publicly that I will vote against any attempt to lift the cap on fees. Call me old-fashioned, but unlike the Labour party, I actually support free education and I believe that a first degree should be free. That is why I supported our policy to scrap tuition fees. The House should be clear that things would have been different under a Liberal Democrat Administration, rather than a coalition Government, but we have to face the fact that 66% of people voted in the election for parties that were committed to increasing tuition fees, so in coalition discussions it was always going to be difficult to win the argument on tuition fees and force them to be scrapped.

Fiona O'Donnell (East Lothian) (Lab): It is forecast that 30 cm of snow will fall tonight in my constituency. That is relevant because Lib Dem members are delivering the leaflet I am holding. Will the hon. Gentleman call off the leafleters until we see where the Secretary of State's intentionometer settles?

Mr Leech: I am not sure how to respond to that. I do not even know which constituency the hon. Lady represents. In any event, I will vote against an increase in fees, even though I know that my right hon. Friend the Secretary of State has worked incredibly hard to come up with proposals that will make the system fairer than the current fees system. Nobody will pay back any fees until they earn more than £21,000, there will be no up-front fees for part-time students and additional support will be made available for poorer students.

I will vote against tuition fees simply because I believe that an increase in the cap will discourage some young people from going to university in the future. Under these proposals, the 25% least well-off graduates will be better off than under Labour's current system, but the flaw in my right hon. Friend's proposal is that no one goes to university thinking that they will be among the least well-paid 25% of graduates, so it will put some off.

I certainly will not support this lazy Opposition motion. It does not offer any alternative to an increase in tuition fees. It is not about any need for the Government to clarify its position—it is simply about party political point scoring. It is the Opposition who need to clarify their position, not the Government. The Labour party needs to come clean on its plans for higher education funding and student finance, so that its sudden cynical conversion to opposition to increased fees can be exposed for the sham that it is.

8.54 pm

Joan Ruddock (Lewisham, Deptford) (Lab): Does the Minister know what Antony Gormley, Mary Quant, Damien Hirst, Bridget Riley and Sam Taylor-Wood have in common? They are all past students of Goldsmiths college in my constituency—*[Interruption.]* I am sorry; it was not a joke. All have become leaders and innovators in their chosen field and brought honour to the arts in the UK. It is what Goldsmiths college, which has been part of the university of London for 100 years, is good at.

Today Goldsmiths college has more than 5,500 undergraduates, more than 3,000 postgraduates and close to 1,000 members of staff, and it is one of the top five employers in Lewisham. But for how long? Goldsmiths' focus is on the arts, humanities and social sciences, and because of that, it can expect to lose most, if not all, its teaching funding—a staggering £16.5 million. Even as I say it, I can scarcely believe it. I say that as a science graduate who has always championed the cause of greater science funding.

It cannot be a question of either/or. Institutions such as Goldsmiths and the Trinity Laban conservatoire of music and dance, of which I am a director, have no options. Even now, they are unable to calculate the precise implications of the Government's draconian spending cuts on their future funding or the fees they will need to charge.

Mr Lammy: Does my right hon. Friend agree that no other democracy has withdrawn funding in this way and effectively said that arts and humanities do not matter?

Joan Ruddock: I accept what my right hon. Friend says—he is correct, and of course it is a disgrace.

The Higher Education Funding Council cannot give these institutions the answers to those questions, and no doubt the Minister cannot tell them either—although I invite him to prove me wrong when he responds. These colleges' fees structures will need to be decided by March next year, which is a mere four months away. *[Interruption.]* The Minister can clearly change the timetable, because it is his timetable that means that they have to decide in four months. How does an institution cope with the requirement to make up the loss of possibly all its teaching funding? What significant changes will it have to make to what it offers and how it offers it? It will have to rethink its whole modus operandi.

Yesterday, I spoke to constituents of mine who attend a variety of colleges making up the University of the Arts London. They told me of their own experiences. Some had been able to go to sixth form colleges and do A-levels in arts subjects only because they received the education maintenance allowance that the Government now intend to abolish.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Does my right hon. Friend share my concern, which a lot of young people have also expressed to me, that the scrapping of Aimhigher and the EMA and the terrifying prospect of £9,000 a year of debt will put off thousands of young people even thinking that university is for them?

Joan Ruddock: My hon. Friend is correct, and I am sure that in her constituency, as in mine, there are many young people who really believe that all their hopes and aspirations have already been dashed because those ladders of opportunity have been cut away.

The students of whom I was speaking are today doing part-time jobs, which are increasingly difficult to find, in order to purchase many of the materials they need for their specialist courses. They already feel the burden of current levels of student debt, and told me that they could not possibly contemplate paying three times the current fee levels. The same is true for the students of Goldsmiths and for the many school children in my constituency who now despair of getting a university education.

Goldsmiths is known internationally for its creative and innovative approach to teaching, being ranked ninth in the UK for its world-leading, four-star research. I can only guess what fees of £9,000 a year will do to the aspirations of today's young people. I cannot comprehend what the loss of teaching funding could do to Goldsmiths college. Frankly, I am astounded that coalition Ministers can propose such action and that Lib Dem Members could vote for it.

Jim Shannon (Strangford) (DUP): Does the right hon. Lady agree that those who graduated and got their degrees in previous years would not have been able to do so if the tuition fees proposed by the coalition Government had been in place?

Joan Ruddock: Indeed I do.

Have the Minister and his Front-Bench colleagues no understanding of the long-term cultural benefit to society that comes from the arts, humanities and social sciences? Do Ministers not even comprehend the economic value of the cultural industries that thrived and grew so much in the past decade? Under coalition plans, university education will become the preserve of the rich, diminishing the diversity and talent of our creative and cultural sectors, and impoverishing us all. Ministers should hang their heads in shame.

9.1 pm

Iain Stewart (Milton Keynes South) (Con): In the few minutes available to me, I want to focus on two aspects of the debate that are of critical importance, but which are often overlooked in the heat—rather than light—generated by the Opposition. They are support for part-time students, and the Government's wish to make the higher and further education sectors more flexible.

Both the Open university and the new University Centre Milton Keynes are close to my constituency, so I, too, have a strong local interest in the issue. Both institutions have welcomed the Government's broad approach. In a speech to the Universities UK conference last week, the vice-chancellor of the Open university, Martin Bean, said:

> "I believe we are on the brink of creating a more diverse, flexible and open system of higher education in this country which will provide greater choice and opportunity for young students and adult learners alike and which will have a strong focus on quality. This is a significant step forward."

I completely agree with that sentiment. In our current economic climate, we need to have imaginative new solutions that will deliver focused, relevant and timely higher education at a lower cost.

Pamela Nash (Airdrie and Shotts) (Lab): Does the hon. Gentleman agree that we are talking about an ideological decision that is not based on reducing the deficit? Repayments will not start until 2015, thereby not reducing the deficit during this Parliament.

Iain Stewart: I am not going to take any lectures from the Opposition about cutting money to universities when my right hon. Friend the Secretary of State's predecessor, the noble Lord Mandelson, cut some £900 million from the university budget just before the election.

What we are focusing on is what will be relevant for our higher and further education sectors. We must develop higher education options that respond to the fast-changing global economic environment. Long gone are the days when people got one degree that set them up in a job for life. People will have to retrain and reskill many times through their working lives. People will have more portfolio careers and will need more flexible training options to engage with our fast-emerging economic competitors. Improved support for part-time students is critical to encouraging people to study at lower intensities, combining work and studies in different proportions. I welcome the move to put in place a single, integrated system of finance and support.

I would like to raise one or two points of detail that my friends at the Open university have raised with me. The first, and most significant, is the definition of the intensity of a part-time course. The Government have announced that they will reduce the current level to the equivalent of one third of a full-time course, and that is a huge step forward. I must point out, however, that the Open university has more than 100 courses—they involve 25,000 students, mainly in science, technology, engineering and maths—that have an intensity level below one third. The Open university would like the intensity level to be set at about a quarter. I appreciate that that might be difficult to attain in a single step, but I hope that the Minister will at least consider averaging out the intensity level for the duration of a course, because students often want to start off at a lower intensity level until they become more comfortable with the subject, after which they can increase the proportion as the course progresses. I hope that that is a constructive comment that the Minister can take on board.

The Minister for Universities and Science (Mr David Willetts): I will of course undertake to look at the specific point that my hon. Friend has raised on behalf of the Open university. Will he also accept from me that, contrary to what we were told by the Opposition, it is already the case that we will be helping two thirds of first degree part-time students with our proposal to extend access to fee loans to them? The only way in which the Opposition can attain their figures is by including, for example, part-timers doing a second degree, and the only reason that they are not included in the policy is that it was the Labour Government's ELQ—equivalent or lower qualifications—policy that excluded them in the first place.

Iain Stewart: My right hon. Friend makes an important point. I know the impact that the previous Government's changes to ELQs had on the Open university. It had to take a multi-million pound hit.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Will the hon. Gentleman take this opportunity to join me in asking the Minister whether he will clarify a point about the Higher Education Funding Council for England, which this year is getting targeted funding of some £71 million to support part-time students and another £142 million to widen student participation? Will he ask the Minister whether those targeted allocations will be continuing at the same level over the course of the comprehensive spending review period? Is not the Open university, for example, entitled to some clarity on those questions as well?

Iain Stewart: I would have more sympathy for the hon. Gentleman's intervention if he had not cut £900 million out of the HEFCE budget earlier this year.

The second point that I wish to make relates to the national scholarship programme, which has already been mentioned. I very much welcome it as an incentive to help students from more disadvantaged backgrounds, but will my right hon. Friend clarify whether, when the details are firmed up, it will explicitly encompass part-time students on lower incomes, and mature students as well a school leavers, within its scope? I hope that the Minister will be able to clarify that as well.

Time prohibits me from exploring some of the other points that I would wish to raise. I shall conclude by making a few observations about making the higher and further education sectors more flexible. The University Centre Milton Keynes, which the Minister has visited, is based on the new concepts of cloud higher education, or University 2.0. These are exciting and innovative concepts, based on a partnership model that involves further education, a variety of universities, the civic community, the third sector and local business. There is much interest locally in taking this project forward and making it work.

I strongly commend the Government for setting out to make this sector more flexible and responsive, and I hope that by addressing some of the points of detail that I have raised tonight, we can make that vision a reality.

9.9 pm

Pete Wishart (Perth and North Perthshire) (SNP): I should like to start by saying just how proud I am that, in Scotland, under a Scottish National party Government, we will not be introducing these pernicious tuition fees. We will not follow the example of the Conservatives, the Liberals or Labour by burdening our students with crippling debt. We will do all that we can to ensure that in Scotland education remains free. It will remain free to us because it is important to us. Scottish education was built on the foundation of being free, and our universities were built on that principle. It is a tradition, a history and a culture that we cherish, and we will not give it away lightly. Tuition fees, introduced by Labour and taken up with relish and aplomb by the Conservatives and their Liberal minions, are something that we will not—

Ian Murray *rose*—

Pete Wishart: I will give way to the hon. Gentleman, but I want him to say how sorry he is for introducing tuition fees, and to congratulate the SNP Government on getting rid of them.

Mr MacNeil: Apologise!

Ian Murray: I do not know what I have done to make everyone begin to be rude to me, but the Secretary of State started it, so perhaps I have done something wrong.

Let me compliment the hon. Member for Perth and North Perthshire (Pete Wishart) on the start of his speech. Will he comment on the massive amount of communication in which he has engaged with the Scottish people, which is similar to the communication in which the Liberal Democrats have engaged? Would he, too, lie to students at a general election by saying that he would write off all the student fees? Would he lie to students to get elected, and then turn his back on that pledge as well?

Pete Wishart: It will not surprise you to learn, Mr Deputy Speaker, that I am disappointed by the hon. Gentleman's intervention. I expected a little contrition on Labour's part, even if it consisted only of the words "We are sorry for introducing tuition fees". If you were a student in Scotland and you had a choice, who on earth would you support? Would you support the Labour party, which introduced tuition fees, wanted to increase them exponentially and initiated the Browne report, or would you consider the SNP, which had nothing to do with tuition fees and even went as far as abolishing Labour's graduate endowment? That was our commitment to free education in Scotland, and I make no apologies for it.

Hugh Bayley: Will the hon. Gentleman give way?

Pete Wishart: I am sorry. I do not have enough time.

How do we differ from the London parties? We believe that education should be based on the right to learn, not on the right to pay. We do not share their view that funding higher education should be a matter for the student. We believe that higher education makes a valuable contribution to our communities which enhances our societies, and we therefore believe that higher education funding should come from the state.

I see that some Members are beginning to twitch. They are all thinking, "If Scotland is not going to introduce these pernicious fees, what is Wishart going on about?" They are thinking, "Surely the SNP only votes on Scottish issues, and is leaving this legislation alone." That is true, but these pernicious fees will have a significant impact on Scottish higher education. They could have disastrous consequences for our universities. It is the job of every Scottish Member of Parliament in the House of Commons to defend and protect the Scottish interest, and I make no apologies for doing just that job.

I see that some Liberal Democrats are present. Do they realise—do they understand and appreciate—the impact that tuition fees will have on their higher education? In case they do not know what will happen, I will tell them. Because English universities will be awash with tuition fees—appropriations from their students—we will be at a competitive disadvantage. The fact that we will not have the same development and resources to provide research facilities to attract international students could have disastrous consequences. Moreover, because tuition fees come from the students themselves, they will not be subject to the departmental Barnett consequentials. As the budget for English education rises, our share, determined through the Barnett consequentials, will fall. Of course English students will see Scotland as an attractive prospect.

Hugh Bayley: Will the hon. Gentleman give way?

Pete Wishart: I will.

Hugh Bayley: I do not know whether the hon. Gentleman has read the note from the Library, but it tells us that in the five years since top-up fees were introduced in England, the number of applications to English universities has increased by 16%, whereas in Scotland it has increased by only 8%. Why does the hon. Gentleman think more students are choosing English universities?

Pete Wishart: I was going to give a figure myself. I would be interested to hear the hon. Gentleman's view on it, although I am not able to give way to him again. Because the SNP Scottish Government have rejected the idea of tuition fees, fee refugees from England are going to Scotland to take places at Scottish universities, thus denying university places to Scottish students, and that will increase. That is because students who might otherwise be facing a lifetime of Clegg debt will, of course, look at Scotland as an attractive option.

Several hon. Members *rose—*

Pete Wishart: I will not give way as I am running out of time.

I want to be as generous as possible to all the other political parties represented in this House, as I always take what they have to offer in debates very seriously. We know the Tories' position. The Minister for Universities and Science is described as "Two Brains" and it is Tory thinking that runs through those two brains. Of course tuition fees is a Tory idea. We know that; that is the sort of thing they do—they hurt the poor and they make sure students will have to pay for their courses—but Labour, for goodness' sake, introduced tuition fees and voted to increase them exponentially, although, thankfully, they were defeated in that. Labour also initiated the Browne review, but now in opposition they let out a howl of protest about what the Tories are going to do, yet we have no idea what they would plan to do.

The Liberals are the comedy act in this turn. Breaking this pledge might be the biggest suicide gesture in modern political history. We have seen the leaflet that was handed out in Scotland opposing tuition fees just at the point when they are going to introduce them, but we should not mock the hon. Member for Manchester, Withington (Mr Leech) because he is the good guy now. We have to get the Liberals with us to ensure this measure can be beaten. It is up to them; they can ensure that this is seen off. It is up to the Liberals to make sure they do that.

The Scottish Government will not be cajoled or bullied into following this course of action. We are going to have to consider our response, given what this Government are going to do. We have ruled nothing out other than these tuition fees. We must defend our universities by making sure they are protected and they remain world class, but we will oppose this. We make no apologies for

ensuring that Scottish universities are maintained and protected, and that we have the best universities in the world.

9.16 pm

Malcolm Bruce (Gordon) (LD): I do not deny for a minute the passion of the hon. Member for Perth and North Perthshire (Pete Wishart), but as was pointed out in an intervention, his party promised it would abolish student debt. There was no coalition; there was a minority Government. Yet within a week they said, "We only promised this because we didn't think we'd win the election. We couldn't afford it; it was uncosted and it was undeliverable."

Mr MacNeil: Will the right hon. Gentleman give way?

Malcolm Bruce: No, I will not give way.

I also want to make it clear that, interestingly, the abolition of tuition fees in Scotland was delivered by the Liberal Democrats and Labour working together, and the abolition of the graduate contribution was delivered by the Scottish National party and the Liberal Democrats working together. We are not at all a party that comes to this issue embracing the principle of tuition fees; we are a party that has engaged with genuine integrity in a coalition, which has led to our being faced with deep and difficult decisions that none of us finds easy or comfortable, and we are not pretending that we do.

I also want to make it clear that as a result of devolution and the Calman reforms that are coming, the Scottish Parliament and Scottish politicians can decide to have free university education in Scotland for as long as we can prioritise that within the budget. There is not an obligation upon the Scottish Parliament to follow suit. As the hon. Member for Perth and North Perthshire rightly said, it is equally true that we will have to ensure that we can maintain our universities to world-class standards and fund them, as is also the case for the universities in England and Wales. The difficult question to be faced is that we must consider not only how we can fund them today, but how we can fund them in five, 10 and 15 years' time. I completely accept that we can take a decision to do this for free, but if we do I doubt whether we will be able to maintain our universities' world-class status, or 40%, 50% or 60% participation. Most importantly, if the Liberal Democrats were to disengage from this process I doubt that the students would welcome the consequences of our not having been there.

Ian Paisley: Does the right hon. Gentleman accept that the doubting Thomas performance from those on the Government Front Bench that we have witnessed tonight has done nothing to convince the students outside—or, indeed, the ordinary public—that this Government actually have a policy on fees that is fit for purpose? Does he also agree that it is the duty of the Government not merely to attack the Opposition policy, but to come up with a policy that they are convinced of themselves—that has the conviction of the Government and that takes this House forward on a note of conviction, not of attack?

Malcolm Bruce: What is clear is that the Government have a policy, whereas the Labour party absolutely does not. I have the utmost respect for the right hon. Member for Lewisham, Deptford (Joan Ruddock), who spoke with genuine commitment and sincerity, and I take the point that she is making. But what does she say to people who tell her that under this system they will not be able to go to university, that they could not have gone to university or that their children will not be able to go? Does she say, "You are absolutely right. You should despair. Just despair"? Does she not say that they should have a proper look at what is actually being proposed? I accept entirely the cultural fear that people have of debt, but there are no fees to be paid up front, increased maintenance support—grants and loans—is available and people pay the money back only as and when they earn salaries that are rising. People from poorer backgrounds should seriously reflect that that gives them more opportunity to go to university than ever was the case before.

Joan Ruddock: Frankly, the right hon. Gentleman insults the intelligence of my constituents, who understand very well that there are to be no up-front fees to pay, as indeed there are not at the moment. It is the overall burden of debt for a lifetime that they are afraid of, and rightly so.

Malcolm Bruce: What I would stress to the right hon. Lady and to the students if they will engage and listen—the ones that I have spoken to have done so and have accepted this—is that this is a much more progressive arrangement than exists at the moment and than the Labour Government set up. The repayments are generally lower—for 20 to 25% of people they are significantly lower—but for the higher earners they are higher. Consequently, this is a much more progressive system. The truth is that if a parent or young person is considering going to college or university, they face no up-front fees. If they come from a poorer background, they can obtain a higher maintenance grant than is currently available and larger loans than are currently available, on a fairer rate of exchange, and repayments start only when they are earning—

Several hon. Members *rose*—

Malcolm Bruce: I am not going to give way. The repayments are entirely related to what people earn.

Mr MacNeil: You pay your fees.

Malcolm Bruce: I can tell the hon. Gentleman that I had the privilege of going to a privately funded school and university, but I did not get the opportunity to go to Oxford or Cambridge because my father was not prepared to pay further fees for me to do the entrance exam, to delay further and then to pay for me through one of those universities. I have no regrets about going to the very good Scottish universities from which I have graduated, but the point is that if I was in that situation today, I could decide for myself that I could go to Oxford or Cambridge because I could get the funding and I would pay it back when I had got the benefit of that education.

This is simply a matter of calculating that an education is a benefit to the entire state—the state should therefore facilitate it, support it and maintain its quality—but it is

[Malcolm Bruce]

also a benefit to the individual. Some individuals will use that benefit in ways that are less commercial—they will do things that do not earn them a great deal money—but they will therefore not pay anything like the whole of that investment back; they will not be required to do so. They would be if there was a graduate tax—

Several hon. Members *rose*—

Malcolm Bruce: I am not going to give way. Secondly, people can also make the calculation, "I made the investment, I made the repayment and if I choose to seek commercial benefit from it, it is only reasonable that I should pay a contribution back." In one way or another—this argument applies even if we opt for free tuition and free fees—the individual pays it back through general taxation. The difference here is that we are trying to connect it to the actual education.

I suggest that our approach has an implication for quality. Two things will drive university quality up: the demands of students and competition from other universities, nationally and internationally. It is fair enough to criticise our policy, with which many of us are not entirely comfortable. However, I suggest to Opposition Members that to be credible in doing so it behoves them to come up with a viable alternative as to how they can ensure that our world-class universities will continue to have access to the funding that will maintain them as such and ensure that the students who go to them will have enough influence to ensure that they get the quality of education that they deserve. That is what this is about; this is a difficult decision, but Opposition Members need to engage much more intelligently in the debate.

9.24 pm

Anas Sarwar (Glasgow Central) (Lab): It is a great pleasure to follow two fellow Scottish Members, although we had a rather delusional performance from the hon. Member for Perth and North Perthshire (Pete Wishart). It is understandable—he is still feeling a bit dizzy after the economic crisis in Ireland, on which they are modelling Scottish independence.

Let us return to the debate at hand. Anyone who has witnessed the huge and largely peaceful demonstrations against the coalition's plans will appreciate just how important the issue we are debating is for thousands of students, school pupils, teaching staff and parents. I shall surprise hon. Members by saying that I agree with the Deputy Prime Minister. Before the election, he said:

> "If we have learnt one thing from the economic crisis, it is that you can't build a future on debt."

Now that he is in government, he conveniently forgets that our future is our young people. The coalition Government are hitting them with record levels of debt as they leave university.

The future prosperity of our country depends on the UK's being a skill-based economy. To drive that, we must invest in higher and further education, not cut teaching grants by up to 80%. The plan is, in effect, a Tory-led privatisation of our higher education system.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): My hon. Friend raises the important point of the 80% cut in the teaching grant. Does he agree that that is a profound retreat from state funding of the British university system?

Anas Sarwar: I absolutely agree with my hon. Friend and that is why we need a wider debate on the role of the state in educating our young people.

Mr MacNeil: Will the hon. Gentleman give way?

Anas Sarwar: Not just now; I will give way in a wee moment. I am coming back to the Scottish angle, and I am sure that the hon. Gentleman will want to intervene on that point.

The question is who benefits from a university education. Is it, as the coalition believes, only the student who benefits, which means that they should pay most, if not all, of the costs? Or does the country as a whole benefit from a well-educated work force driving our economic prosperity? That is the ideological debate we need to have in this House.

No matter where one goes in the world, unrivalled importance is attached to education. When the Business Secretary and the Prime Minister had their bonding session in China, they might perhaps have learned the Chinese proverb: "If you are planning for a year, sow rice. If you are planning for a decade, plant trees. If you are planning for a lifetime, educate."

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): On investment, will my hon. Friend join me in asking the Minister why only his Government, along with the Romanian Government, are cutting university spending at a time when every other OECD country is increasing investment in its higher education system?

Anas Sarwar: I absolutely agree with my hon. Friend and I hope that the Minister will respond to that point when he makes his speech.

Right hon. and hon. Members may be forgiven for thinking that this issue solely affects England, but that could not be further from the truth. The proposals will have profound and far-reaching consequences for the rest of the United Kingdom. I have two universities in my constituency in Scotland and 80% cuts in higher education funding in England mean that Scottish universities stand to lose at least £400 million a year. It also has consequences for Scottish students who wish to study in England and English students who wish to study in Scotland.

Mr MacNeil: Does the hon. Gentleman feel that it was a mistake that the Labour party first introduced tuition fees in this country—and will he say sorry?

Anas Sarwar: I thank the hon. Gentleman for that intervention but I will take no lectures from a Scottish Government and an SNP who stood at the election promising to scrap student debt for every student across Scotland and who failed on every single promise. The hon. Member for Perth and North Perthshire asked why young people would ever vote for the Labour party in Scotland, but he should look at the polling data for the general election and the opinion polls for the Scottish

elections that are coming up. We outpolled the Scottish National party in the youngest bracket—18 to 24-year-olds—and I think that that will be reflected in the results in May.

I also want to take the opportunity to say that the Scottish Government must stop dithering.

Mr Willetts: I am grateful to the hon. Gentleman for allowing me to intrude on this Scottish argument. Do we not have here a very clear comparison of the two systems? Does he accept that we have fees and loans in England and a very different system in Scotland? Contrary to what we heard, will he confirm that it is therefore very significant that we have 4,900 English domiciled students going to Scottish universities but 11,500 Scottish students coming to English universities? What does that tell us about the two systems?

Hugh Bayley: That is under Labour's system.

Anas Sarwar: Indeed. The Minister does not recognise that the decisions taken by his coalition Government will have a massive impact in Scotland. We cannot have this dithering from the Scottish Government; we cannot allow a situation in which students go to university in Scotland without knowing how they will pay for that education when they leave. Even the most hardened right-wing Government Members have to admit that far from being fair and progressive, these plans are some of the most unthought-through, unfair and aggressive that the coalition Government have announced so far.

Mrs Madeleine Moon (Bridgend) (Lab): The point that my hon. Friend is making about the cuts of 80% in teaching grant is the important issue of the day. If our students are to have quality education, they must have quality teaching. Cutting the teaching grant is not the way to encourage people to stay in university teaching or to encourage our universities to expand. In Wales, the university teaching grant will be cut by only 35% to ensure that good academics stay in our universities.

Anas Sarwar: I thank my hon. Friend for that intervention and agree wholeheartedly. Under the coalition's plans, a couple with three children and one income of £35,000 could save £100 a week for 20 years and still not be able to pay for their children to go through university. It is not wealthy people who will be penalised; instead, the firefighters, teachers, police officers and small business owners will suffer.

Greg Mulholland (Leeds North West) (LD): Will the hon. Gentleman give way?

Anas Sarwar: I have given way plenty of times but I need to carry on.

It is time that the Liberal Democrats stopped being so shameless on this issue. As we have heard already, in the past few days, the Business Secretary has been delivering leaflets—not personally, but he has been quoted in them; perhaps he should go out and deliver them and then he might get the reaction in the Scottish streets. A headline on the leaflet reads "Cable attacks unfair UK university fees", and the text goes on:

"Liberal Democrat Business Secretary Vince Cable has launched a scathing attack on...unfair tuition fees which still have to be paid by Scottish students studying elsewhere in the UK. He likened tuition fees to the infamous poll tax, as the fees are seen as an unfair weight around students' necks...The Lib Dems want to scrap tuition fees across the UK, as they did in Scotland in 1999".

Wake up and smell the coffee! I signed the pledge to vote against these fees and I will honour that pledge.

9.32 pm

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): May I declare an interest in this fascinating debate? Like the hon. Member for York Central (Hugh Bayley), I represent two universities and I want to lead the debate on to them.

Lancaster university is a multi-million pound business that reached the top 10 of English universities; indeed, last year it was top in performance in physics. It makes a massive contribution to Lancaster and the wider Lancashire economy and it hopes to develop and proceed in what it perceives as a global market. That point has not been mentioned tonight. It wants to provide the best tuition and facilities.

Before the election, the pressure for an increase in fees came from universities. The previous Government faced that issue by cutting a certain amount, which Lord Mandelson did, and, to be fair to them, by setting up the independent Browne review. There might be an argument about whether that was kicked into the long grass to prevent Lord Browne from saying anything before the election because Labour needed to compete in so many university seats, but I would not suggest that. Labour set up the review and waited for the report. As a result, the whole of the previous Cabinet did not sign up to the pledge, although many Labour MPs—116, I think—did. I went to university debates in my area and I did not sign the pledge, but every single opponent of my candidature did—except the British National party, but I do not think that it was offered the opportunity to sign, thank God.

That was the situation. Now, universities say that they want a system that can fund them. I do not want to go into the deficit argument, but I think we all accept that things are tight.

Damian Hinds (East Hampshire) (Con): Is my hon. Friend aware that 40 years ago there were 600,000 students in higher education, 20 years ago there were 1 million and today there are 2.4 million? That is a very good thing, but when there are such fundamental changes we have to think again, as we have on pensions and social care and as we are doing now on higher education.

Eric Ollerenshaw: And as we found out under the Labour Government, fees do not seem to hinder people wanting to go to good universities.

As an ex-teacher, the test for me is how we can increase social mobility. I shall repeat points that others have made, because they are important and they are being lost in the issue of marches and the encouragement by some Members of what they call direct action—something from the old days of the 1980s. That is the hypocritical line they are selling some students. At least we have maintained no up-front fees—as has been said by previous speakers. More important, a lot of students will pay far less in the future because the threshold has moved to £21,000, which is about £540 less.

Sheila Gilmore (Edinburgh East) (Lab): Will the hon. Gentleman give way?

Eric Ollerenshaw: May I finish this point?

It seems to me that what has been left out of the debate is the Government's commitment to finding £150 million for a national scholarship scheme, and I congratulate Ministers on that. The coalition has been trying to do what the Labour Government talked about but never achieved—joined-up government, through our proposals for the pupil premium and for the national scholarship scheme. We are going even further, by demanding that universities that want to charge the highest rate should do much more—not just through scholarships, but through the work being done by charities and voluntary groups, such as the Social Mobility Foundation—to encourage pupils from disadvantaged backgrounds at least to try to aim a bit higher.

Mr Lammy: Will the hon. Gentleman give way?

Eric Ollerenshaw: No, I want to finish this point and I have very little time.

The coalition is trying to deal with disadvantage not just in higher education, but in secondary and primary education. In these difficult times, we are attempting to make links between them and provide a world in which we have top-class education. Our top universities will still be competing with the best universities in the world, but with the increased involvement of children from disadvantaged backgrounds. That includes part-timers. Unlike the right hon. Member for Lewisham, Deptford (Joan Ruddock), I do not believe the scare stories about kicking down the ladders. We are trying to put up ladders in very difficult times.

9.37 pm

Paul Blomfield (Sheffield Central) (Lab): Having enjoyed the irony of being lectured about dishonesty by the Business Secretary at the outset of the debate, I congratulate the Minister for Universities and Science on his honesty in setting out the context for consideration of this issue in his response to questions following his statement to the House on 3 November. He made it clear that the Government's response to the Browne review was only partly driven by the need to deliver the cuts demanded by the Chancellor. He said that it was about

"delivering reform as well as saving public money." [*Official Report*, 3 November 2010; Vol. 517, c. 944.]

However, as with the decisions being made on the economy, it does not have to be like this. There are choices, and the Government are making the wrong choices. The choice is not just about funding; it is a fundamental remodelling of our university system, which follows a worrying ideological trajectory that was perhaps best described by the hon. Member for Reading East (Mr Wilson), who is no longer in the Chamber. It will transfer the cost of teaching from the state to students themselves. It will make our universities some of the most expensive in the world. It will withdraw all public funding from the majority of courses in the majority of our universities and will send a statement to all those who are teaching or studying the arts, humanities and social sciences that their courses are not worthy of support. It will introduce a market that encourages the best universities to charge up to 50% more for their courses.

What will be the impact of that new model? We know from research and from experience in the States that debts of up to £50,000 for fees and maintenance will deter those who cannot easily contemplate huge debts, those from families without experience of higher education, those from the poorest families and those from families on average incomes. The impact will be felt strongly in areas where we already need to do more to widen participation.

My hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly) highlighted the case of medicine. The BMA's modelling suggests that medical students will graduate with debts of about £70,000 and that the proposals will hugely damage efforts to encourage those from lower socio-economic groups to study medicine.

Greg Mulholland: Will the hon. Gentleman give way?

Paul Blomfield: Yes, I will give way once.

Greg Mulholland: I thank the hon. Gentleman. I opposed the introduction of fees under the previous Labour Government. I would be interested to know if he did, too. He represents many students, as I do. Away from party politics, does he agree that whatever the merits of the different cases that have been argued here, the Government have not convinced people that their arguments are the right ones, and that it is important that there should be a delay in the process so that whatever is eventually proposed, students, academics, universities and all of us can support it?

Paul Blomfield: I certainly agree that there should be a delay in the process. We are on the verge of the most fundamental reform of our higher education system in more than 50 years, and it is an outrage that we are putting the cart before the horse by being asked to make a decision on the financial framework for our universities before we have had a debate on the higher education White Paper to conclude what sort of university system we want.

Like the hon. Gentleman, I signed the pledge to vote against any increase in tuition fees. Unlike my neighbour, the Deputy Prime Minister, the right hon. Member for Sheffield, Hallam (Mr Clegg), I do not regret it. I did not make the decision lightly, but I made it with the intention of keeping it. On 12 October the Business Secretary casually dismissed the pledge with some obscure reference to "skid marks", but let me remind Lib Dem Members that their pledge was no manifesto small print.

In university seats such as mine, the Liberal Democrats fought the election on the issue. As the president of Sheffield Hallam university students union said,

"Before the election, we couldn't get the Deputy Prime Minister out of our Union . . . now we can't get him in."

The outcome of individual elections was determined by that pledge. Just days before the election, what was it that the Deputy Prime Minister said?

"The Liberal Democrats are different. Not only will we oppose any raising of the cap, we will scrap tuition fees for good . . . Use your vote."

he said to students,

"to block unfair tuition fees and get them scrapped once and for all."

Now we know that while the Deputy Prime Minister was making that heartfelt appeal, he was planning to ditch the commitment.

I accept that most Lib Dem Members who were kept out of the loop by the Orange Book faction that now leads their party signed that pledge with honest intention, and I urge them to keep to that honest intention. If they vote in favour of the proposals, not only will they be dashing the hopes of thousands of young people, but they will be destroying the confidence of those young people in democratic politics. This was the election in which the Liberal Democrats tried to seize the moral high ground, talking about honesty, trust, integrity—

Christopher Pincher (Tamworth) (Con): Will the hon. Gentleman give way?

Paul Blomfield: No, I will not lose any further time.

Voting in abstention, knowing that Conservative votes will push the measures through, will also be seen to be deeply cynical, so I urge Liberal Democrat Members to honour their pledge, join Opposition Members and vote down the proposals.

9.44 pm

David T. C. Davies (Monmouth) (Con): We should be very grateful to Opposition Members for showing us the difference between opposition and naked opportunism, because tonight we have had more naked opportunism than we would get at a convention of lap dancers. Opposition Members know perfectly well what the problem is, because they caused it. It is a debt of £1 trillion, which doubled long before the banks crashed, and a deficit of £168 billion a year. That is the problem we face.

Susan Elan Jones (Clwyd South) (Lab): Will the hon. Gentleman give way?

David T. C. Davies: I will give way once and only once. The hon. Lady had better consider whether it wants to be heard.

None of us, from either side of the House, wishes to penalise students, but students join a long list of people who are lobbying us at the moment: the police, the armed forces, pension policyholders, Equitable Life policyholders and people with infected blood. They and many others all have a good case, and to all we note the same problem: we simply do not have the money, because, as Labour's former Chief Secretary to the Treasury said, "The money has all gone."

Susan Elan Jones: The hon. Gentleman seems to forget that in Wales the Labour-led Administration are already leading the fightback against the disgraceful policy that his party proposes. He often forgets what the majority consensus is in Wales, so will he please acknowledge that point this evening?

David T. C. Davies: The hon. Lady and I are both well aware that the Welsh Assembly Government had nothing to do with the £1 trillion debt, and I shall make it my business to ensure that they never do have any such responsibility.

The NUS could do itself a favour if it gave a few lessons to its students before encouraging them to negate their life chances by bunking off school. It should tell them about the £1 trillion debt, stop scaremongering and inform them that nobody will pay a penny up front. It is worth making that point again and again, because when I went to Monmouth comprehensive recently I found that the pupils who had taken time off from school were not all aware of that fact. No one on the Government Benches, or anywhere else, wishes to penalise people who want to go to university. That is why there will be no fees up front—I say it again. Not only that: we will not expect anyone to pay back a single penny until they earn £21,000 a year.

I do question—it is a personal view, with which I often find myself expressing in this House—whether it is wise for more than 50% of the population to go to university to do degree courses of three and sometimes four years when some of them will receive lectures, as one young lady told me, of only five hours a week. I question that. Not many others do, it is true, but, as long as we have that situation, it has to be paid for.

I take issue with one other point that the NUS makes. I do not disagree that it benefits all of society when people go to university, but it benefits all of society when people leave school and go and get a job, as I did. I did not go to university: I paid my taxes after I left school, and I did not disbenefit society by doing so. Some Opposition Members might sneer, but let me tell them that at the age of 21 I decided that I needed extra qualifications, so I went off and got a heavy goods vehicle licence, which cost me £1,000 of my own money in 1992—and that was a lot of money. It cost me a lot, so I made sure that I turned up on time, did not have a hangover and worked hard for those two weeks, because I knew that nobody was going to help me out if I failed.

One consequence of the scheme before us, which nobody wants to bring about, is that everyone will now ask themselves such questions: "If I'm going to pay for tuition, is this going to get me a better job? Can I afford to go out to the student union bar tonight? Can I afford to miss that important lecture? Because, at the end of the day, this is my money, not just taxpayers' money." That is an important point.

None of us wanted to see this situation, but it has been forced upon us. The coalition Government are made up of people of many different political hues, let us not pretend otherwise, but one thing unites all Government Members. We are prepared to face up to the difficult decisions that Opposition Members will not face. We are not prepared to allow tomorrow's generation to pay for the mistakes of yesterday's politicians.

9.49 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): This has been an interesting debate, but what is clear at its end is that the Government are set to railroad through this House and the other place their plan to treble fees for students and their families. As my hon. Friends the Members for York Central (Hugh Bayley), for Newcastle-under-Lyme (Paul Farrelly), for Lewisham, Deptford (Joan Ruddock), for Glasgow Central (Anas Sarwar) and for Sheffield Central (Paul Blomfield) have underlined, it is now clear that Ministers lack the political courage to spell out the full implications of the Chancellor's unprecedented 80% cut in university teaching grant.

[Mr Gareth Thomas]

Each time there has been a major change in the way in which universities are funded and students supported, there has been a full and proper debate in this House, with Government having set out their proposals in full before a vote. Parents are surely entitled to expect Parliament to have considered in detail the arrangements for student maintenance, yet we have merely a pencil sketch before us, as opposed to the painted canvas that a White Paper could have offered. The Deputy Prime Minister worries that potential students are being confused and put off. Well, let him publish the Government's White Paper and clarify once and for all what is intended.

Such a White Paper might be able to answer some of the many questions that students, their parents, universities, and now even MPs on the Government's own side, such as the hon. Member for Milton Keynes South (Iain Stewart), are asking. As my hon. Friends and, in his own sweet way, the hon. Member for Reading East (Mr Wilson), who is no longer in his place, pointed out, how student numbers are controlled matters, because it sets the boundaries of the market. Draft those measures wrongly, and the pressures pushing fees higher will be even more considerable. On what basis will universities be allowed to set the so-called exceptional fees of £9,000? We have been told by the Deputy Prime Minister that these plans are a great leap forward because of the national scholarship fund, the more equal treatment for part-time students and the increase in the threshold for starting repayment being lifted from £15,000 to £21,000. Yet we do not know what is being cut to fund the national scholarship fund. Aimhigher has gone already, and other "widening participation" money is set to go too, perhaps. The fund is not looking quite so generous now. While equal treatment for part-time students might be a good thing, many vice-chancellors are now predicting that fees for part-time courses are set to increase dramatically, so I hardly think that part-time students will be jumping for joy either.

Is not the truth, as the Higher Education Policy Institute and the 2010 global higher education rankings confirm, that if these proposals go through, English students will be taking on levels of student debt not seen in any other country in the world, and England will have the most expensive public higher education system in the world? Is not the truth also, as Sir Peter Lampl of the excellent Sutton Trust, which has done so much to try to widen participation in higher education, put it, that

"we are about to embark on a university funding regime in England that is totally out of line with that of any other higher education system in the Western world"?

The Chancellor tells us that debts are a very bad thing. He says that we should not borrow too much and that we should see the national finances as being like the family budget. Then the right hon. Member for Havant (Mr Willetts) comes along and says that any family with ambition who wants a university place, or any 16 or 17-year-old or mature student who wants to better themselves, will have to burden their future family finances with years of higher debts. You really do not need two brains, Mr Speaker, to see that these proposals seem set to discourage extraordinary students from families on ordinary incomes from going to university. We know the penchant of Conservative Members to join exclusive university clubs, and now we know that they want to do to universities what the Bullingdon club used to do to restaurants.

Then there are the Liberal Democrats. We knew before today that their leader, the Deputy Prime Minister, had knowingly hawked his tuition fee pledge from one constituency to another, while all the time he and the other Orange Book Liberals wanted to ditch it. We now know, as of today, that the Secretary of State for Business, Innovation and Skills is willing to abstain—in *an unprecedented scenario*, to put the interests of his MPs before those of students and their families and our universities. In short, he is willing to put his party's interest before the national interest.

In families and across universities up and down the country, these unanswered questions mean the difference between whether the brightest and the best will be able to go to the university of their choice to do the course that they want and is most suited to them. The Government should publish a White Paper to end this confusion. I commend our motion to the House.

9.54 pm

The Minister for Universities and Science (Mr David Willetts): We have learned a lot about Labour's approach in this debate. We have learned that it wants delay; we have learned that it wants careful consideration; we know that it needs more information; and we know that it wants to go slow. As my right hon. Friend the Secretary of State would put it, it wants to go slow, slow, slow-slow, slow. That is the only thing that Labour is offering. That does not just reveal the inadequacy of Labour's approach to education; it matters, because if the changes that we propose were not in place in 2012, there would be a real financial challenge for our universities. The Secretary of State has made clear our commitment to delivering those changes.

By contrast, we heard from the shadow Secretary of State—

Emily Thornberry *rose*—

Mr Willetts: No, I have only five minutes.

We heard from the shadow Secretary of State that the speed of deficit financing is a matter of choice. He hinted that he would be willing not to make the public expenditure savings and to borrow the money instead. If he is willing to borrow the money instead, we know what Labour's approach is—it is willing to impose debts on future generations. There is one difference between our approach and Labour's: Labour's approach is indiscriminate and would hit everybody, rich or poor, male or female, and ours means that people will start paying back only when they are earning more than £21,000 a year. That is why our approach to university financing is progressive and Labour's is indiscriminate and unfair.

Of course, the £21,000 threshold that we propose is far higher than the £15,000 threshold that we inherited from Labour. That is not the only feature of our proposals that is fair and progressive. We are increasing the maintenance grant so that it helps families that earn up to £37,000 a year. The national scholarship programme is worth £150 million. Two thirds of first-time students who study part time will also benefit from our proposals.

Labour is completely disingenuous. It is not carefully waiting for more information or a White Paper, but simply playing for time while it tries to work out what on earth its policy is and whether its leader has the guts to follow the advice of his own shadow Chancellor:

"Oh, and for goodness' sake, don't pursue a graduate tax. We should be proud of our brave and correct decision to introduce tuition fees. Students don't pay them, graduates do"—

quite right—

"when they're earning more than £15,000 a year, at very low rates, stopped from their pay just like a graduate tax, but with the money going where it belongs: to universities rather than the Treasury."

I could not have put it better myself. The only difference is that under our proposals, the threshold is not £15,000, but £21,000. We know which is the right approach.

Barry Gardiner (Brent North) (Lab) *rose—*

Mr Willetts: No, I will not give way.

We know what Labour does when it is under pressure. In its last public spending document before the election, it proposed £600 million of savings from higher education. There was no waiting around for a White Paper then, no consultation and no careful consideration; just one paragraph on £600 million of cuts. By contrast, we have a proper set of proposals to reform higher education, which, contrary to what the Opposition said, will not mean catastrophic losses in funding for universities. Money can get to universities in many ways, and under our proposals it will get there through the choices of students. We will provide them with the extra money to make those choices, and that is—

Ms Rosie Winterton (Doncaster Central) (Lab) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 244, Noes 307.

Division No. 134] **[9.59 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Herrmon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick

Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Phil Wilson and
Lilian Greenwood

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Lewis, Brandon
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire

Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
James Duddridge and Norman Lamb

Question accordingly negatived.

Constitutional Law

10.13 pm

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): I beg to move,

That the draft National Assembly for Wales (Representation of the People) (Amendment) Order 2010, which was laid before this House on 25 October, be approved.

This draft order amends the National Assembly for Wales (Representation of the People) Order 2007, which makes provision for the conduct of elections to the National Assembly for Wales—*[Interruption.]*

Mr Speaker: Order. May I gently interrupt the Minister? This matter is of very great interest to Members representing Welsh constituencies, so I appeal to the House to come to order. If Members do not wish to listen to the debate, they are of course welcome to continue their conversations elsewhere, but I am keen to attend upon every word of the Minister.

Mr Jones: Thank you, Mr Speaker. The order makes provision for the conduct of elections to the National Assembly for Wales and was made under powers in the Government of Wales Act 1998 and the Government of Wales of Act 2006. The draft order makes a number of modest policy and technical changes to the 2007 order, which comprehensively reflected changes made to electoral law since the previous order in 2003, in particular by the Electoral Administration Act 2006. The 2007 order runs to 273 pages, and I am sure that you will be relieved, Mr Speaker, to hear that I do not intend to speak in any great detail about its contents. I will, however, outline the main changes that would be made to it by the amending order before us.

Article 3 amends the definitions of "Assembly constituency", "Assembly electoral region" and "elector" in the 2007 order to ensure that they are consistent with the Government of Wales Act 2006. The relevant provisions in that Act did not commence until after the 2007 order was made. The definition of "elector" also reflects changes to the Representation of the People Act 1983 made by the Electoral Administration Act, and this includes references to anonymous voters.

Article 4 amends the 2007 order in relation to registration appeals. Where decisions on appeals about entries in the register in respect of postal votes are determined before the election, these decisions will take effect and the register altered. The article also clarifies the relevant provisions under which an appeal can be made and a notice of alteration issued.

Article 5 makes an important change to the 2007 order. Currently, the election agent for a candidate in an Assembly regional election must have an office in that region. A number of political parties raised concerns about this requirement during the 2007 elections, because a party might wish to appoint only one election agent to represent all its regional candidates in an Assembly election. The previous provision, which required the election agent to have an office in the region, prevented it from doing so. Following a recommendation by the Electoral Commission, made after the 2007 Assembly election, this requirement is to be relaxed so that an agent's office must be located within Wales, but not in every region of Wales.

[Mr David Jones]

Articles 6 and 7 make minor changes to the 2007 order to reflect changes made by the Legal Services Act 2007. Article 6 expands the definition of bodies capable of exercising regulatory functions over the legal profession. If a legal professional is found guilty of a corrupt practice during an election campaign, an election court must inform these bodies. Article 7 amends the relevant part of the 2007 order which requires the Director of Public Prosecutions to attend election courts, expanding the definition of whom the DPP may send as a representative. Articles 8 and 9 amend references in schedules 1 and 3 to the 2007 order respectively which we subsequently found to be incorrect.

Article 10 makes the most substantive change to the 2007 order by changing the design of the constituency and regional ballot papers. In October 2009, the Electoral Commission published its guidance on designing voter materials—it was called "Making Your Mark"—having consulted political parties, electoral administrators and disability awareness groups. This guidance highlights best practice when designing voter materials such as ballot papers to ensure that they are as accessible and intelligible as possible for voters. It is clearly in the interests of democracy that every eligible elector is able to participate in elections, and that the voting process is as clear and simple as it can be. In designing the new ballot papers, we have worked closely with the Electoral Commission to ensure that we adhere to both the spirit and the letter of the guidance.

Apart from the design, the key change is the removal of the names of those on the party list from the regional ballot paper, as is also the case in Scotland. Hon. Members will know that the Parliamentary Voting System and Constituencies Bill, which is currently before the other place, provides for the referendum on the alternative vote system for electing Members to this House to be combined with the elections to the National Assembly on 5 May next year. The provisions within this draft order are not affected by the combination provisions.

The Government and the Welsh Assembly Government are committed to working together to ensure that the polls next May are a success. Jenny Watson, the chair of the Electoral Commission and the chief counting officer for the alternative vote referendum, who will have the lead role in the combined polls, said earlier this month that the commission believed that

"enough progress has been made...to allow the National Assembly elections and referendum on 5 May to run smoothly".

In preparing the order, the Wales Office worked closely with electoral administrators, including the regional returning officer for Wales, the Electoral Commission, the Welsh Assembly Government and the four major political parties in Wales. The provisions of the order are modest but necessary for the efficient running of next year's Assembly elections, and I commend it to the House.

10.20 pm

Owen Smith (Pontypridd) (Lab): It is a pleasure to follow the Minister. As he said, the order is largely uncontroversial. The principal amendments are to article 39 of the National Assembly for Wales (Representation of the People) Order 2007, which stipulates that the office for an election agent for a regional election should be within that region; articles 114 and 133, which relate to the Legal Services Act 2007; and schedule 10, which relates to the format of the ballot papers for the constituency and regional lists. We are content that the amendments in articles 6 and 7 of the draft order, which expand the description of bodies regulating the legal profession that must be considered by election courts and describe the duties of the Director of Public Prosecutions therein, are entirely reasonable and appropriate, and we will be supporting them. We are also satisfied that the changes to schedule 10 described in article 10 of the amending order, which relate to the nature of the ballot papers, are also rational and evidence-based changes, based on consultation with all parties and the Electoral Commission. We will be supporting those, too.

We welcome, too, the change proposed in article 5 of the draft order, which amends article 39(2)(b) of the 2007 order and which, in keeping with suggestions made by the parties, the National Assembly and the Electoral Commission, allows election agents for the regional elections to have their offices anywhere in Wales, not solely within that region. That, too, is a sensible and practical change that reflects the realities of how political parties organise themselves for elections, with both regional and constituency bases. In fact, the changes to the constitutional law described in the draft order are all reasonable and sensible amendments. They have all been drafted after respectful consultation with the devolved Administration and are free of party political taint. As such, they stand in sharp contrast to all the other constitutional legislation that we have been debating in this House in recent weeks.

Nia Griffith (Llanelli) (Lab): My hon. Friend talks about consultation. Does he know whether any research has been undertaken on the propensity of voters to go for the top name on the list? If so, does he know whether any thought been given to the fact that, with party names rather than individuals' names appearing on the list, there will perhaps always be a tendency for a certain party to be at the top?

Owen Smith: I do not know whether there has been any research on that. I confess that I suspect that there has been none, and I doubt whether many of the provisions in either this order or, more importantly, the Parliamentary Voting System and Constituencies Bill have been adequately tested, as it has been rammed through with such unseemly haste.

As the Minister said, several of the reasonable amendments in the draft order are predicated on recommendations made by the Electoral Commission for Wales in its report on the conduct of the elections to the National Assembly in 2007—an election that was described in the commission's document as having been

"alright on the night, but...by the skin of our teeth".

The commission continued:

"The management of elections in Wales, with significant levels of postal voting, is a substantial exercise requiring strategic investment...project planning and risk management".

There are lessons that we need to learn, and we need to ensure that the authorities in Wales—the Welsh Assembly Government and, I would suggest, Ministers—have learned those lessons.

Chris Ruane (Vale of Clwyd) (Lab): My hon. Friend referred to how costly things could be. The funding given to local authorities for electoral registration officers is not ring-fenced, so what guarantee can he give—or, indeed, the Government of the day give—that this money will not only be ring-fenced, but be spent by local authorities on what it is supposed to be spent on?

Owen Smith: I am afraid that I cannot give those guarantees, but I hope that when the Minister responds, he will be able to give us further reassurances about that; I shall cover that point further in a moment. We are deeply worried that, with the combination poll and all the complications that will attend on that, this election has the prospect of being a very difficult one. I fear that we have probably not tested the possibilities or made provision for all the complications that could ensue.

Jessica Morden (Newport East) (Lab): Does my hon. Friend agree that the Minister would be wise to listen to the professional election administrators in Wales, who have warned of the potential for huge voter confusion next year when we hold different types of elections on different franchises using different voting systems?

Owen Smith: Absolutely. That is an extremely important point, very well made. We have a significant problem ahead of us next May, with the combined poll. It is going to be complicated, and I fear that due consideration has not been given to our concerns.

I would therefore like to ask the Minister what dialogue he or the Secretary of State have had with the First Minister and other Welsh Assembly Ministers to satisfy themselves that the necessary planning and resources are now in place. The omission of any measures to address these concerns in the order, or in any related legislation, suggests that the Minister is wholly confident that, once again, it will be all right on the night. That is despite the fact that, as many Labour Members have pointed out, this time around, thanks to the disrespectful placing of the complicating referendum on AV on the same day, along with the cuts to the Assembly budget and consequently to local government budgets in Wales, there will be far more to handle at this poll and far fewer resources with which to do that.

We remember the chaos in many polling stations earlier this year, with people being ignominiously turned away from the polls. We also remember the chaos in Scotland in 2007, when more than 100,000 ballots were spoiled. Thankfully, Wales was exempt from both those instances, but is the Minister certain that there is no possibility of this happening in 2011 in Wales? He will know that it is much easier to destroy trust in the democratic process than it is to build it up. These ballots must go through without a hint of the problems that we have seen elsewhere. I can only assume that, in his response, he will be able to give us an absolute assurance that he is confident that the ballots will go off without a hitch

Notwithstanding the fact that we will not oppose the order tonight as its passage was not assumed in the Parliamentary Voting System and Constituencies Bill, as was the case with the associated orders for Scotland and Northern Ireland, is it not instructive that we are debating it after that Bill, which will fundamentally undermine the Welsh elections, has already been hustled through this House? Is this not also illustrative of the high-handed party political approach that this Government have taken to dealing with all constitutional issues in recent weeks, given that such things are usually treated with far greater respect and given far more even-handed deliberation?

10.27 pm

Hywel Williams (Arfon) (PC): I should like to comment on the point made by the hon. Member for Llanelli (Nia Griffith). Plaid Cymru normally comes at the end of the list, following the British National party, the Conservatives, the Greens and everyone else. But, as the good book says, the first shall be last—*[Interruption.]* Or is it that the last shall be first? I say that as a Williams.

I am glad to be discussing these issues on the Floor of the House, although I am surprised that we are discussing them here, given that the order is of a technical nature, and that the more historic agreement to hold a referendum on transferring part 4 powers was held in Committee. The most important change in the order is that the names of regional list candidates will no longer be on the ballot paper. That makes sense, because it will make it clear that the electors are voting for parties rather than for individuals. Of course, some people might say that electors should have the right to know for whom they are voting, but the list vote is essentially done on a party basis.

Previously, there have been only four possible seats on the list and no party so far has won more than three regional seats, but some parties have taken the liberty of adding rows and rows of names to the ballots. My own party has adopted the sensible provision that we have only four candidates on the list. However, there was one party in South Wales Central that had 11 names on the list. I am not sure whether the number of votes that it received equalled the number of candidates.

Another change, which I welcome, is that election agents for regional elections will no longer need to have offices in the regional constituencies, but will be able to be based anywhere in Wales. That makes sense. I would expect the central party to be responsible for the administration, and that is a very positive change.

The changes in the order are essentially technical. It has been consulted on with major stakeholders and agreed to, and I am sure that we will agree to it again tonight. I look forward to an orderly election.

10.30 pm

Mr David Jones: I am grateful to the hon. Members for Arfon (Hywel Williams) and for Pontypridd (Owen Smith) for what appeared to be a broad welcome for the order, although the welcome from the hon. Member for Pontypridd was somewhat well camouflaged. He asked whether a guarantee could be given that expenditure by local authorities would pass to electoral registration officers. The Welsh Assembly Government are responsible for that. In response to his request for an assurance that the process will run without a hitch, I remind him again that the professionals, namely the members of the Electoral Commission, have said that enough progress has been made to allow the elections and the referendum on 5 May to run smoothly. However, the Government will

[Mr David Jones]

of course continue to work with the Welsh Assembly Government in the run-up to the elections to ensure that that happens.

The hon. Gentleman asked what consultation we had had with the First Minister and the Assembly. We have engaged in extensive consultation with both the Assembly and the First Minister, and the Presiding Officer of the Assembly has written to my right hon. Friend the Secretary of State stating:

"Constitutionally, I have no objection to the proposed UK AV referendum and the NAW general election coinciding. I am strongly in favour of voter convenience, and rationalisation of expenditure on polling arrangements."

Question put and agreed to.

Business Without Debate

DELEGATED LEGISLATION

Mr Speaker: With the leave of the House, I propose that motions 7 to 12 should be taken together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Income Tax

That the draft Double Taxation Relief and International Tax Enforcement (Belgium) Order 2010, which was laid before this House on 15 September, be approved.

Capital Gains Tax

That the draft Double Taxation Relief and International Tax Enforcement (Georgia) Order 2010, which was laid before this House on 15 September, be approved.

That the draft Double Taxation Relief and International Tax Enforcement (Cayman Islands) Order 2010, which was laid before this House on 15 September, be approved.

That the draft Double Taxation Relief and International Tax Enforcement (Federal Republic of Germany) Order 2010, which was laid before this House on 15 September, be approved.

That the draft Double Taxation Relief and International Tax Enforcement (Hong Kong) Order 2010, which was laid before this House on 15 September, be approved.

Taxes

That the draft Double Taxation Relief and International Tax Enforcement (Malaysia) Order 2010, which was laid before this House on 15 September, be approved.—*(Bill Wiggin.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Terms and Conditions of Employment

That the draft National Minimum Wage (Amendment) (No. 2) Regulations 2010, which were laid before this House on 2 November, be approved.—*(Bill Wiggin.)*

Question agreed to.

National Security Strategy (Joint Committee)

Ordered,

That Mr James Arbuthnot, Mr Adrian Bailey, Margaret Beckett, Sir Alan Beith, Malcolm Bruce, Fabian Hamilton, Paul Murphy, Richard Ottaway, Mark Pritchard, Sir Malcolm Rifkind, Keith Vaz and Mr Tim Yeo be members of the Select Committee appointed to join with a Committee of the Lords as the Joint Committee on the National Security Strategy.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

Mobility Scooters

Motion made, and Question proposed, That this House do now adjourn.—*(Bill Wiggin.)*

10.33 pm

Mike Wood (Batley and Spen) (Lab): I am grateful for the opportunity to raise important issues relating to the estimated 4 million adults in the country who have some form of mobility impairment. Given that figure, it is not surprising that there are some 300,000 mobility scooters in use here, and that the number is growing by up to 25,000 each year. They obviously provide an invaluable aid for those who are elderly and/or suffer from a disability, enabling them to maintain their independence and ensuring that they are less marginalised in our society than they would be otherwise. They are crucial in helping people suffering a disability and others to realise the rights to access that I think most people in our society accept should be a reality for all our citizens. After all, 15 years have gone by since the passing of the Disability Discrimination Act 1995.

This evening I want to explore some aspects of safety in the use of such mobility aids, specifically, but not wholly, in regard to the transporting of these vehicles and their users. I also intend to look at the treatment of mobility scooter users and at whether they are being afforded the protection under the law to which they are entitled.

The local authority that serves my constituency, Kirklees council, licenses 249 taxis, 55 of which are able to carry wheelchairs. There are a further 1,520 private hire vehicles, of which 120 are designated for wheelchair access. Unlike nearby Calderdale authority, Kirklees makes a distinction between wheelchairs and mobility scooters, but it seems evident that the two classes are becoming blurred and that scooters are on occasions being transported as if wheelchairs. It seems—largely, I accept, on anecdotal evidence—that sometimes this is happening without the user being relocated to a standard seat within the motor vehicle for the journey or the appliance being anchored adequately, if at all. The situation is no doubt complicated by those scooters that fit within the dimensions of the reference "wheelchair" as used in previous deliberations on this topic by the Department for Transport, but, for whatever reason, this appears to be a growing practice, at the discretion, obviously, of the driver and his employers. Indeed, the National Taxi Association accepted that there was a great deal of confusion about this matter in its evidence to the consultants MVA, which compiled research for the Department.

The NTA also accepted that it has no existing policy about scooters being transported and left it to the discretion of the driver, based, it said, on health and safety considerations. It appears to share the view of many in the trade that it is waiting for a lead from the Government. Perhaps the Minister will want to use this opportunity tonight to provide such a lead. *[Interruption.]* He shakes his head, and I am encouraged.

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I nodded.

Mike Wood: I am sorry, it is late in the evening: the Minister nodded, of course.

In the meantime, perhaps tonight the Minister can supply us with the up-to-date figures for the number of wheelchair and scooter users injured while being transported. Whatever the figures are, perhaps he can tell us whether his Department is content for this high potential for accident to remain the case, and if not, what it intends to do to cure, or at least ameliorate, the problem.

I accept that the Minister has been in post for only a matter of months, but he will be aware that research commissioned by his Department in 2006 suggested there was the potential for 180 serious accidents a year involving vehicles transporting such users and their appliances and 16 fatalities. I should add that many scooter users, such as my constituent, Mr Lawrence Conlon, also feel that the loading into and out of any taxis is fraught with danger. In a letter to me, Mr Conlon said:

> "I would invite the Minister or any of his officials to take a test and allow themselves to mount and dismount one of these vehicles in a wheelchair, either being pushed or guided on and then dismounted backwards on runners on many occasions not much wider than the wheels of the chair."

That danger was also raised in the MVA research, which recommended that the Department institute trials so as to be in a better position to judge the danger itself. Can the Minister tell us if such trials have been undertaken in the four years since this report, and have the Government looked into the lack of uniformity in respect of anchoring points on the various appliances?

I realise—and I expect the Minister will tell me this—that the Department's default position is that mobility scooters are not safe to be transported on public transport at all, not least taxis. But the situation in the country has moved beyond that point and we need the Government to act to help regulatory and licensing authorities make sense of the situation on the ground. At the very least, we have to be assured that all journeys involving such passengers are health and safety compliant and that the drivers are trained and aware of the safety needs of this group of passengers, not only while installed in the cab, but also at the point of their being loaded into or dismounted from the vehicle. Is it appropriate, as Mr Conlon suggests, to compare the process with the same procedures when they are carried out by ambulance service staff? If so, is the Department happy with the apparent disparity in safety levels between the two?

So far I have examined the potential problems relating to access to a vehicle and safety while someone is being carried. I wish now to discuss the issue of scooter users who have little access to a taxi; such access is apparently only at the whim of a licensing department and the local taxi owners. Lawrence Conlon, like his father before him, has given a lifetime of service to my local community. Now in his 80s, he uses a motorised wheelchair to maintain mobility, but rarely can a taxi be supplied to provide transport for him. The size of his wheelchair means that it cannot be loaded into a taxi unless that vehicle has a hydraulic facility, and not just ramps or runners. No such vehicle is licensed by my local authority, which tells me that it cannot require local taxi owners to provide such a facility in even one of their hundreds of cabs.

The Minister will recall that he confirmed to me in his letter of 7 October that section 160 of the Equality Act 2010 required taxis to be wheelchair accessible, but there remains no date for the enactment of this provision. May I press him to proceed with that enactment as speedily as possible and ensure that when the provision is enacted it takes on board the need to include scooters

[Mike Wood]

and motorised wheelchairs, as used by my constituent and, I suspect, many others, who are currently being discriminated against?

Finally, I wish to discuss a slightly different point relating to scooters. I have before me an Office of Fair Trading press release from a fortnight ago, in which the OFT announced its intention to launch a market study into mobility aids, including wheelchairs and scooters. It says that the sector was worth £500 million to UK companies in 2008. Apparently, however, the level of complaints from customers is growing at 20% a year and now tops 5,000 per annum.

I wish to outline to the Minister just such a complaint, as raised with me by my constituent, Mrs Crossland, a scooter user who earlier this year received an unsolicited visit from a firm called New Life Mobility Ltd of Kirkgate house, Shipley, West Yorkshire. It agreed with Mrs Crossland to replace two small scooters with a more highly powered one, and in total she has parted with £1,650, in addition to the two perfectly serviceable scooters that were taken in part exchange. Six months later she still has no scooter that she feels safe using. West Yorkshire trading standards department, which I have always found very effective, has been involved but is now at the point of advising her to go to law to recoup her cash. As she has spent her life savings on this venture, she is of course not in any position to do that. I know that trading standards officers have met two directors of that company, a Wayne Patrick Allen and a Jimmy Rodgers, but apparently none of the actions it was agreed that they would take to make good the problems they have caused Mrs Crossland have taken place. May I therefore ask the Minister whether he and his colleagues in government will introduce more robust provisions that afford protection for the likes of my constituent from those who seek to take advantage of their age and infirmity to rob them of both their life savings and their mobility? An OFT investigation might help provide industry solutions to the problems that mobility aids users face, but, again, I feel that we need a strong lead from Government.

10.44 pm

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I congratulate the hon. Member for Batley and Spen (Mike Wood) on securing a debate on a matter that is clearly important and that is increasingly of interest to many people. He raises some germane and perfectly fair points that I will do my best to try to answer.

All the evidence suggests that the use of mobility vehicles is growing and that trend is likely to continue as our population ages. The Department for Transport continues to seek to improve access and safety for all people, including those who are disabled and elderly, to help enhance their quality of life. As part of that, we have been considering the issue of mobility scooters and their use.

There are three main areas of concern that the hon. Gentleman raised and I shall try to take each of them in turn. First, let me put on the record that there are concerns about the safe use of mobility scooters. There are occasional reports of people being injured by them when they are used on pavements and of users being hit by other vehicles when they are used on the road. My Department is considering all those issues with a view to balancing the mobility needs of disabled people with their own safety and that of others.

The hon. Gentleman asked specifically how many accidents had been caused. There are no national statistics on this matter, so I am unable to give him a figure, but I can tell him that from 2013 the police will be able to record whether a mobility vehicle has been involved in an accident. However, as the vehicles are used in public places other than roads and pavements it is unlikely that the database will provide a comprehensive picture. Other routes for data collection are being explored, but I hope that it is helpful that we are at least taking the matter forward. I recognise that there is an issue to be dealt with.

Let me turn to the question of the lack of provision to carry scooters in taxis and private hire vehicles, which overlaps with the point about health and safety. First, the legislation governing the accessibility of public transport does not cover the carriage of mobility scooters on public transport vehicles. Part 12 of the Equality Act 2010, which incorporates part 5 of the Disability Discrimination Act 1995, sets out the provisions for accessible public transport. I should point out that since mobility scooters are primarily designed for outdoor use by people who can walk only short distances, and therefore as an alternative to public transport, they are quite intentionally not covered by the provisions.

Regulations that have already been made under the provisions of the original DDA require space to be provided on buses, coaches and trains for a "reference wheelchair" but are silent on the carriage of mobility scooters, as they are in the case of taxis. Scooters continue to come in a wide variety of shapes and sizes and evidence suggests that some modern mobility scooters are in fact getting taller and heavier. As a result, many models are frankly unsuitable for carriage on many forms of public transport, including in taxis.

As for other transport vehicles, research has also shown that increasing numbers of the most popular mobility scooters on the market will now fit into the so-called "reference wheelchair" space. That has resulted in confusion as to whether they can be used on public transport since operators have adopted different policies for dealing with them. I want to ensure that we end that confusion. It has been done for wheelchairs, so we can do it for scooters.

I recognise the challenges that that presents since not only are there a large number of scooter models on the market, but the type of public transport vehicle also varies. Nevertheless, my Department is considering how we might adopt a more consistent approach on the general carriage of scooters on public transport.

On the specific point about taxis, one of the main concerns about the carriage of scooters in taxis is whether they can be safely secured, which the hon. Gentleman mentioned in his introductory comments. I cannot give him an answer tonight to his question about anchorage points, but I shall write to him after this debate and give him the information he seeks. On the MVA research, I can also tell him that no trials have taken place since that report was completed.

The issue about whether scooters can be safely secured is due to the design of scooters, which do not always have appropriate anchorage points. There is a danger that the scooter may tip up and cause injury. Guidance

published by the former Disability Rights Commission advised users of mobility scooters that they should transfer into the standard vehicle seat and that, if possible, scooters should be carried in the boot of a vehicle, but, if they are carried inside the main body of the vehicle, they must be safely secured. We take the view that a driver would be entitled to refuse to carry a scooter that cannot be secured as it would constitute a serious safety hazard. It is for the driver or operator to decide whether to transport an unoccupied mobility scooter as an item of luggage.

The hon. Gentleman will be interested in a feasibility study commissioned by the Department for Transport in 2006, which considered whether scooters can be safely carried on public transport and made recommendations as to the types of scooters that could be carried, including their dimensions and weights. It suggested that smaller and lighter mobility scooters could be safely carried on public transport in the right circumstances. The study also identified a number of safety concerns, focusing particularly on the conditions for mobility devices on public transport vehicles. They included the securement and stability of the devices, laden weight and the lack of manoeuvrability.

The ability to access public transport vehicles was also highlighted as a safety issue. There was insufficient evidence to take a view on the safe use of mobility scooters in taxis, so this was left to the discretion of the operator. Some transport operators have already put in place arrangements to accommodate scooters and their experience may yield lessons for other operators. We hope so. I have asked my officials to discuss the carriage of scooters on public transport with interested parties, including transport operators, manufacturers, health authorities and users, and to come up with possible options as soon as possible in the new year.

I want my Department to explore whether some form of kitemark system could help users and operators alike to understand which scooters could be safely carried on public transport. I do not intend to impose any new regulations or burdens on operators, but the work will seek to identify, working alongside manufacturers and operators, which scooters currently on the market could fit into a reference wheelchair space. Some operators already publish acceptance criteria and I want my Department to explore whether a similar approach could be taken nationally. If that can be achieved it would be a good result for users who would then be rather more certain about whether scooters are likely to be accepted on public transport. That should, in turn, help to inform purchasing decisions. It would also help public transport operators, which currently have to deal with a bewildering array of models, some of which are suitable for carriage but many of which are not.

The hon. Gentleman asked about protection for scooter owners, particularly Mrs Crossland. When purchasing a scooter, it is important to get the model that will suit the purchaser and their circumstances best. We are aware that the Department of Health and the charitable organisation Motability have funded a database to enable people to choose a mobility scooter or wheelchair that meets their needs. As medical devices, mobility scooters will have to comply with regulations that give some protection to users regarding the technical safety of the vehicle and instructions for use. The Medicines and Healthcare products Regulatory Agency, which is an agency of the Department of Health, has responsibility for ensuring that this is the case.

Consumer protection legislation applies to mobility scooters as to any other products on the market. Those regulations are enforced by the Office of Fair Trading and local authority trading standards services through criminal prosecutions and civil enforcement orders. The hon. Gentleman might know that the OFT will be launching a market study into the mobility aids market. We have expressed an interest in this study, which will include wheelchairs and mobility scooters.

The hon. Gentleman will understand that I cannot comment on the actions of individual companies that have affected his constituent, but he has put his remarks on the record and I very much hope that the company concerned will respond sensibly to him and his constituent in the light of his comments. I hope the debate will help to bring about a satisfactory resolution to Mrs Crossland's situation.

The hon. Gentleman raised the issue of taxis and wheelchair accessibility. Before long, I hope, we will announce our plans regarding the taxi sections of the Equality Act 2010 that have not yet commenced relating to wheelchair accessible vehicles. We have already taken preliminary action on driver training and we are also looking at the quota of taxis. We are giving local authorities incentives to increase the quota of wheelchair accessible taxis in their area, so we are already taking action to increase the number of such vehicles in local authority areas.

We recognise the important role scooters play in the lives of disabled people, giving them the freedom that enables them to continue to participate in everyday life, which we very much welcome. The increase in the number and use of mobility scooters, and the public interest in them, presents us with an opportune time to look again at the feasibility of the carriage of mobility devices on public transport. The hon. Gentleman is right to chivvy us along on that matter, and I am grateful that he has done so.

I have not been in office very long, nor have the Government, but in the past the Disabled Persons Transport Advisory Committee—DPTAC—has commented that it was concerned about the lack of co-ordinated information. DPTAC sought an interim measure and some formal guidance from the Department for Transport. We are doing what we can to take the matter forward, because I am concerned that the present arrangements have led to a plethora of different solutions that sometimes cause more problems than they solve. I am determined to try to sort that out.

Correct information is crucial, and we shall explore how best to make it available both to people who want to take scooters on public transport and to transport operators. In particular, we want to make sure that when someone buys a scooter they have clear information about whether the scooter is accessible for public transport. People are entitled to that information at the point of purchase.

Finally, it will be important to ensure that in our considerations we balance the needs of disabled people and their ability to maintain independence with the operating constraints of the transport industry.

Question put and agreed to.

10.55 pm

House adjourned.

House of Commons

Wednesday 1 December 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Energy

1. **John Robertson** (Glasgow North West) (Lab): What (a) recent meetings he has had and (b) meetings he plans to have with representatives of Scottish Power to discuss the energy industry in Scotland. [26707]

The Secretary of State for Scotland (Michael Moore): I have regular meetings with the energy industry, including with Scottish Power, and will continue to do so, given the sector's importance to the Scottish economy.

John Robertson: I thank the Secretary of State for his answer. He says that he has had these meetings, yet British Gas, Scottish Power and Scottish and Southern Energy have said that on no occasion has he ever discussed the price hiking that these companies are undertaking. When will he try to support the people of Scotland by doing something about the price hikes?

Michael Moore: What I recognise is the importance of ensuring that we get a fair deal for consumers, as well as for the shareholders—the companies are concerned about that. As the hon. Gentleman will know, Ofgem has announced an inquiry into consumer protection and competition in the sector. I expect that to be a very thorough process.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I am glad to see that the Secretary of State was able to get back from Scotland to be here today, despite the cold weather and the travel difficulties. Given that cold weather, and the increase in energy bills that many people have experienced, is he aware of the concern among many of my constituents and many others that the most vulnerable people will struggle to pay their bills, when they should be entitled to be on social tariffs? Will he therefore undertake to convene a summit of the six energy companies to discuss, in particular, what they are doing to ensure that people who should be on social tariffs are on them, and that people in Scotland are not left cold at home this winter?

Michael Moore: I am glad of the hon. Gentleman's welcome, and I appreciate, as he will, that many people in Scotland, and indeed in the whole of the United Kingdom, have been struggling to get to work and go about their business today. He rightly focuses on temperature and the fact that this will cause extra difficulty for people, so I am sure he will welcome the fact that we are maintaining the cold weather payments and the winter fuel allowance. I am certainly happy to discuss ideas of getting together with the different energy companies to make sure that they are properly focused on the needs of their customers.

Asylum Seekers

2. **Anas Sarwar** (Glasgow Central) (Lab): What discussions he has had with the UK Border Agency on the cancellation of its contract with Glasgow city council to provide services to asylum seekers. [26708]

5. **Pete Wishart** (Perth and North Perthshire) (SNP): What recent discussions he has had with the UK Border Agency on the welfare of asylum seekers in Scotland. [26711]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Secretary of State and I are in regular contact with the Home Office on matters relating to asylum seekers. I understand that the UK Border Agency is working closely with support organisations in Glasgow to ensure that there is minimum disruption to those affected by the termination of UKBA's housing contract with Glasgow city council.

Anas Sarwar: I thank the Minister for that answer. Does he think it acceptable that no detailed discussions were held between UKBA and either Ypeople or the Angel Group ahead of the decision to scrap the contract with Glasgow city council, even though they will be made to take responsibility for more than 1,000 asylum seekers in the city? Will he agree to meet representatives of all those involved in the dispute, so that he can make an informed contribution to the Immigration Minister?

David Mundell: I will certainly be happy to meet the hon. Gentleman and other people who have an interest in this matter. I know that he has already had the opportunity to meet UKBA, and I think that he will share with me the positive view that although the people involved will no longer have a contract with Glasgow city council and will instead have one with another provider, many of them will stay in the same properties and that will minimise disruption.

Pete Wishart: Does the Minister even start to understand and appreciate the outrage that exists in Scotland about the treatment of asylum seekers? This is not just about the Glasgow situation, appalling though that is; it is also about the detention of children and the operation of the section 4 card. Will he get down to the UKBA to explain that we look at these issues very differently in Scotland and we expect the UKBA to act accordingly?

David Mundell: I do recognise that there are concerns in Scotland about how the matter in Glasgow was handled, and the Immigration Minister accepts that the correspondence with those affected could have been much better handled. I am sure that the hon. Gentleman will welcome, as I do, the inquiry that the Scottish Affairs Committee is conducting into relations in Scotland with UKBA.

Jo Swinson (East Dunbartonshire) (LD): I welcome the Minister's acceptance that the correspondence could have been handled better on the cancellation of the Glasgow contract, because as a result of letters sent out by UKBA, vulnerable people, including many families, were left in a state of extreme anxiety about where they would be living. Can he reassure us that lessons will be learned from this, so that such mistakes are not repeated in future?

David Mundell: Indeed, I can give the hon. Lady that assurance. As soon as these issues came to light, the Secretary of State for Scotland was in contact with the Immigration Minister. There is a recognition that the correspondence was inappropriate, and a number of measures have been taken. For example, everyone affected will have at least 14 days' notice if they have to move. Progress has been made. The initial letter was regrettable, but the situation will be better in future.

HIV

3. **David Cairns** (Inverclyde) (Lab): What recent discussions he has had with the (a) Secretary of State for Health and (b) Scottish Executive on strategies to reduce the incidence of HIV in the UK. [26709]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): I am in contact with the Secretary of State for Health and the Scottish Government on a range of matters. As the hon. Gentleman knows, the Government published their public health White Paper yesterday. As that is taken forward, close attention will be paid to the lessons that can be learned from the Scottish Government HIV action plan.

David Cairns: I am grateful to the Minister for that answer. On world AIDS day, it is worth reminding ourselves of the rather obvious fact that viruses such as HIV do not respect borders. Will he reassure me that as the Government seek to draw up their sexual health and HIV strategy they will work closely with all the devolved Administrations to ensure a coherent and joined-up approach? That is the only way that we will slow the spread of the virus, which has already claimed far too many lives.

David Mundell: It is indeed appropriate that the hon. Gentleman has asked his question on world AIDS day. He is to be commended for his work as chairman of the all-party group on HIV and AIDS and for his work on the "Halve It" campaign. The Secretary of State will shortly meet the Minister for Public Health in Scotland, Shona Robison, and I shall ensure that this matter is on the agenda.

Iain Stewart (Milton Keynes South) (Con): Will my right hon. Friend give an undertaking to discuss with the Scottish Government the findings from the eight pilot projects that the Department of Health is running to extend HIV testing in primary care hospitals and community centres?

David Mundell: I am happy to give that undertaking. As the hon. Member for Inverclyde (David Cairns) intimated, HIV and AIDS know no borders and the rest of the United Kingdom can learn from what has happened in Scotland, just as Scotland can learn from what is happening elsewhere in the United Kingdom.

Economy

4. **Mr David Amess** (Southend West) (Con): What recent discussions he has had with the First Minister on the relationship between the UK Government and Scottish Executive with regard to economic policy under the devolution settlement. [26710]

The Secretary of State for Scotland (Michael Moore): I have had a number of exchanges with the First Minister in recent weeks. Yesterday, the Scotland Bill was introduced in this House. If enacted, the Bill will strengthen devolution by giving the Scottish Parliament a financial stake in the Scottish economy while maintaining the economic strength we all desire from being in the United Kingdom.

Mr Amess: Now that we know that the Scottish nationalist party—[Hon. Members: "National party."] It put Holyrood's tax-raising powers out of commission for two years without telling the Scottish Parliament. Does the Secretary of State agree that the Scottish Government should be made more accountable for their financial management to such an extent that there should be a closer relationship between economic growth and how much money is spent?

Michael Moore: My hon. Friend makes some interesting observations. I can confirm that the Scotland Bill, if enacted, will provide exactly what he asks for. It will empower the Scottish Parliament, increase its financial accountability and secure Scotland's place in the United Kingdom.

Angus Robertson (Moray) (SNP): Where the Scotland Bill makes a real difference to the lives of people in Scotland and to the Scottish economy, it will have the support of the SNP. During the passage of the legislation in this House, will the Secretary of State and his Tory colleagues accept improvements that will deliver additional powers that will give the Scottish economy a competitive advantage?

Michael Moore: I welcome the hon. Gentleman's initial comments. As he is aware, the Bill introduced yesterday and the Command Paper that goes with it are the result of the work not just of the Conservative party and the Liberal Democrats but of the Labour party and others across Scotland. I hope that we will get proper engagement. I am confident that the measures in the Bill get the balance right for Scotland. They are right for this time and I am sure that they will pass the test of time.

Angus Robertson: The Secretary of State knows that many of Scotland's leading businessmen and women issued a statement this week, in which they said that there must be

"real economic levers to help sustain recovery and grow the economy."

Will the Secretary of State and his Tory colleagues reconsider their plans and consider improvements to the legislation, such as devolving corporation tax to help business grow?

Michael Moore: I listen carefully to a range of opinion from business and elsewhere about the future of Scotland's—

Mr Speaker: Order. I apologise for interrupting the Secretary of State. I do not know what the hon. Member for Blyth Valley (Mr Campbell) had for breakfast this morning, but I am not sure that it has had the desired effect. *[Interruption.]* Order. The hon. Gentleman must not rant at the Government Chief Whip or anybody else. He must calm himself—it is better for his health if he does.

Michael Moore: If I can repeat what I was saying before your intervention, Mr Speaker, I listen carefully to a range of opinion from across business and different sectors of Scottish society. The business community was well represented in the Calman commission, which produced and supported the proposal. We will continue to listen to a range of opinion, but we have no intention of devolving powers over corporation tax.

Mr Alan Reid (Argyll and Bute) (LD): In 1997, the Scottish people voted to give the Scottish Parliament tax-varying powers, but in a disgraceful and secret decision, the SNP Government gave up those powers. I welcome the Scotland Bill. Will the Secretary of State assure us that those tax-varying powers will remain with the Scottish Parliament and that the Bill will be phrased in such a way that, were the SNP ever elected again, it would not be able to give up those powers in a secret decision?

Michael Moore: As my hon. Friend knows, the consequences of the Scottish Government's decision not to maintain the Scottish variable rate have been debated in the Scottish Parliament in recent days. The fundamental difference between the existing arrangements and what will follow if the Bill is enacted is that the Bill will create a Scottish income tax that sits alongside United Kingdom income tax, and there will be a requirement to set that rate every year. That is a fundamental change, and it will bring the accountability and empowerment that I discussed earlier, which will be a good thing for Scotland.

Ann McKechin (Glasgow North) (Lab): It is shocking that both the UK and Scottish Administrations are failing to prioritise job growth. While there was a slight fall in UK-wide unemployment last month, the jobless total for Scotland continued to increase. The latest figures show that in Campbeltown an astonishing 13 claimants are chasing every available job. Our youngest people are suffering the most, and if Labour wins in 2011, we are committed to continuing the future jobs fund to help them into work. Why is the Secretary of State set on removing that vital support, while at the same time supporting tax cuts for our biggest banks, which are at the root of our economic problems?

Michael Moore: That was an interesting insight into the Opposition's economic policy, although I realise that Opposition Front Benchers are divided on exactly what it should be. I remind the hon. Lady that we are dealing with the consequences of the largest deficit in peacetime history—£155,000 million. We took urgent action to deal with that, which has drawn us back from the danger zone. We will announce proposals in due course on the Work programme which will replace the future jobs fund. We are dedicated to ensuring that we create the conditions for growth and for a private sector-led recovery to deal with the problems that we inherited.

Ann McKechin: Unfortunately, yet again Scotland's youth are not the Secretary of State's priority. His party does not think twice about dancing on the head of a pin. In its autumn edition of "Scottish News Extra", which is turning out to be one of Scotland's better reads, his colleague, the Business Secretary, is described as

"launching a scathing attack on the previous government's unfair tuition fees which still have to be paid by Scottish students studying elsewhere in the UK. He likened tuition fees to the infamous poll tax."

Now that his colleague has said that he may abstain on the forthcoming vote to increase tuition fees in England to £9,000, will the Secretary of State confirm whether he will support the increase, whether he will vote against it in support of the 3,000-plus Scottish students who are directly affected, or whether he will be absent again from the vote?

Mr Speaker: Order. In replying, the Secretary of State must bear in mind that we are referring to economic policy rather than higher education policy.

Michael Moore: It is interesting that the hon. Lady interpreted the question by seeking to get away from anything that might focus attention on Labour's record on the economy and on our determination to create the conditions that will get us back to sustainable growth for Scotland and the United Kingdom.

Scotch Whisky

6. **Mr Adam Holloway** (Gravesham) (Con): What recent discussions he has had with representatives of the Scotch whisky industry; and if he will make a statement. [26712]

The Secretary of State for Scotland (Michael Moore): I regularly have exchanges with the industry and will be meeting the Scotch Whisky Association in the near future.

Mr Holloway: The Prime Minister's recent trade delegation to China succeeded in securing geographical indication of origin status for Scotch whisky. How much will that be worth to the UK trade balance?

Michael Moore: The importance of the Scotch whisky industry, not just to Scotland but to the United Kingdom, is shown by the fact that it contributes roughly £4 billion to our economy, £3 billion of which is represented by exports. At the moment our exports to China are very small in comparison with those to the rest of the world. This important new concession—this agreement with the Chinese—which we very much welcome, will ensure that we can grow our exports in China as we have done in the rest of the world.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): I declare an interest as secretary of the all-party group on Scotch whisky and spirits. What representations has the Secretary of State made to the Treasury in connection with the imbalance in the tax on whisky?

Michael Moore: As the hon. Gentleman will know from his distinguished position, the industry is well represented in discussions with the Treasury at all times throughout the year, as it was under the previous Administration. I continue to have discussions with my Treasury colleagues on this very important issue, and will continue to do so in the months ahead.

Stewart Hosie (Dundee East) (SNP): The Secretary of State will know that only yesterday the Scotch Whisky Association said that the Treasury's review on alcohol tax was a missed opportunity. Will he confirm to the House today that he will make specific representations to his Treasury colleagues for fair taxation of all alcoholic drinks based on their alcohol content only, and no other spurious issues?

Michael Moore: The hon. Gentleman has a distinguished record of following these issues very carefully. He will have made representations, as has the industry. The review was concluded a few weeks ago and will report in due course. As I said in answer to the earlier question, I will continue to discuss these issues with the Treasury.

Commonwealth Games

7. **Greg Hands** (Chelsea and Fulham) (Con): What assessment he has made of the lessons learned from the 2010 Delhi Commonwealth games which could inform his Department's contribution to the 2014 Glasgow Commonwealth games. [26713]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Commonwealth Games Federation is currently leading a formal review of the Delhi games. The Scottish Government and Glasgow 2014 games partners are participating in that review, and will be seeking to identify the key messages to inform planning for the 2014 games. The Scotland Office will do whatever we can to contribute to a successful games in 2014.

Greg Hands: The Minister will know that one of Delhi's troubles was in attracting the top athletes. What will the UK Government do to ensure that the best from across the Commonwealth come to Glasgow in 2014?

David Mundell: As the hon. Gentleman will appreciate, most of the responsibilities in respect of the 2014 Commonwealth games are devolved and rest with the organising committee. I have already met the leader of Glasgow city council and assured him that the UK Government will do everything that we can to support a successful games.

Economy

8. **Julian Smith** (Skipton and Ripon) (Con): What recent discussions he has had with ministerial colleagues on measures to promote economic growth in Scotland. [26714]

The Secretary of State for Scotland (Michael Moore): I have regular discussions with ministerial colleagues on this issue. In the spending review, the UK Government took decisive action to reduce the inherited record deficit. Along with the June Budget, the spending review has set the conditions to promote a balanced economy and sustainable economic growth for all parts of the UK.

Julian Smith: The Scottish Government used to be very keen on the economic growth achieved by Ireland. Will the Secretary of State assure me that, as well as taking measures to promote growth, he will ensure that the First Minister has fiscal responsibility at the top of his agenda?

Michael Moore: All of us are very concerned about what has happened to Ireland in recent months, and our Government have set out some very important steps that we are taking to contribute to the recovery in Ireland and other parts of Europe. We need to ensure Scotland's place within the stability of the United Kingdom. The Scotland Bill, given its First Reading in this House yesterday, will ensure that we give Scotland the tools to achieve that, and I hope that it will be an Act in due course.

Mr Frank Roy (Motherwell and Wishaw) (Lab): For every job vacancy in Lanarkshire there are 10 people on jobseeker's allowance. Indeed, in Motherwell and Wishaw, that figure rises to 12 or 13. What priority will the Secretary of State give to the Lanarkshire economy to ensure that it gets back on track as quickly as possible? *[Interruption.]*

Mr Speaker: Order. There are far too many private conversations of a noisy character taking place in the Chamber. I want to hear the Secretary of State.

Michael Moore: I recognise the challenges faced by Lanarkshire and other parts of the Scottish economy and by those who are looking for a job. As the hon. Gentleman will be aware, I visited Lanarkshire recently and met people who are working their way into employment, and students at Motherwell college. We have to keep focused, and we have to put in place the right conditions to ensure that we achieve a sustainable recovery across the country. I believe that the measures we are taking will ensure that that happens.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Secretary of State will know from his visit to the north-east of Scotland just how important the region is, not just to the Scottish economy, but to the UK economy as a whole. We received a welcome boost this week with the announcement of the extension of the runway at Aberdeen airport and improvement in that transport link, but will he emphasise to the Scottish Government that all transport links in the north-east need to be improved? They do not need new levers to improve Scotland's economy; they need to use the existing levers, as well.

Michael Moore: My hon. Friend makes an important point. Our Government here in the United Kingdom are committed to ensuring that we invest in infrastructure that will support growth, and we have produced other support for business that is geared towards growth, but I take his points about the Scottish Government. His points will have been heard, and I am sure that they will form the basis of further discussions between myself and Scottish Ministers.

VAT

9. **Pamela Nash** (Airdrie and Shotts) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the effect on average household outgoings in Scotland of raising the rate of value added tax to 20%. [26715]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The VAT rise is part of the Government's credible plan to tackle the largest deficit in peacetime history. Difficult decisions are necessary, but as a

consequence we will get our country back on a sustainable economic footing, to the benefit of everyone.

Pamela Nash: Does the Minister not agree that the rise in VAT—the most regressive tax, by his party leader's own admission—will hit the poorest in our society hardest, particularly in Scotland, where incomes are lower and jobs continue to be lost?

David Mundell: What I acknowledge is that the Labour Government left us with a deficit £12 billion larger than they had told us, and that if we do not tackle that deficit everyone in Scotland will be worse off. *[Interruption.]*

Mr Speaker: Order. This sort of noise is very discourteous. I want to hear Fiona O'Donnell.

Fiona O'Donnell (East Lothian) (Lab): Thank you, Mr Speaker.

The voluntary sector in Scotland plays a vital role in supporting some of our most vulnerable families. The increase in VAT will cost Scotland's voluntary sector dearly. What is the Minister actually doing to support that sector, so that it can deliver his vision of a big society?

David Mundell: This Government are committed to supporting the voluntary sector in Scotland and elsewhere in the UK, but the hon. Lady should tell people in that sector and elsewhere in Scotland that the rise in VAT is a consequence of her party's Government's overspending.

MOD Hospital Unit

10. **Katy Clark** (North Ayrshire and Arran) (Lab): What discussions he has had with ministerial colleagues on commissioning a Ministry of Defence hospital unit in Scotland. [26716]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Although there are currently no plans to extend the existing network of Ministry of Defence hospital units, I can assure the hon. Lady that the Government recognise the importance of maintaining world-class medical services for our armed forces in the UK.

Katy Clark: Despite the increase in the number of injured coming back, we have no MOD hospital unit in Scotland. Organisations such as the Royal British Legion Scotland believe that there should be one. Will he meet the Royal British Legion Scotland, myself and any interested colleagues to discuss the matter?

David Mundell: Indeed, I am happy to meet the hon. Lady and any colleagues. It is important to say, though, that many military personnel are treated extremely well in non-military hospitals in Scotland, where they are closer to their friends and family.

Employment

11. **Mr Ian Davidson** (Glasgow South West) (Lab/Co-op): What recent assessment he has made of trends in the level of employment in Scotland; and if he will make a statement. [26718]

The Secretary of State for Scotland (Michael Moore): In recent months, the numbers in employment have been rising in Scotland, though overall labour market trends remain mixed. This Government will continue to create the conditions to foster sustainable and balanced economic growth.

Mr Davidson: What steps are the Government taking to ensure that unemployment in Scotland does not rise to the level in the Republic of Ireland—part of the circle of misery? Does he agree with me that a small country and bad banks result in misery for working people?

Michael Moore: I am happy to agree with the hon. Gentleman that Scotland benefits hugely from being part of the United Kingdom, and under our proposals set out in the Scotland Bill, it will firmly stay within the United Kingdom.

Mrs Eleanor Laing (Epping Forest) (Con): Does the Secretary of State agree that current levels of unemployment in Scotland are the fault of 13 years of mismanagement by the previous Labour Government and that the people of Scotland need to back this coalition Government to give Scotland a chance again?

Michael Moore: Since this Government came to office, they have taken decisive action to tackle the issues that we inherited—a record deficit of £155,000 million. We have pulled Britain back from the danger zone, we are setting out the conditions for sustainable economic growth, and that is the right way for this country.

Economy

12. **Mel Stride** (Central Devon) (Con): What recent estimate he has made of levels of economic growth and inward investment in Scotland. [26719]

The Secretary of State for Scotland (Michael Moore): The latest official statistics show strong economic growth in Scotland in the second quarter of this year. We are determined to ensure that Scotland will benefit as the Government tackle the deficit to secure growth, and provide the confidence that businesses and individuals need to invest.

Mel Stride: Can my right hon. Friend tell the House whether those figures support the claim made by the last Labour Secretary of State for Scotland that the right hon. Member for Witney (Mr Cameron) would be a "kamikaze" Prime Minister who would "plunge" Scotland "back into recession"?

Michael Moore: Funnily enough, I completely disagree with that assessment. I am pleased to say that not only has the Prime Minister led the Government's efforts to get us away from the danger zone that the economy was in, but he has set out a constitutional path for Scotland that will enhance its economic growth and keep it within the United Kingdom.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [27558] **Margaret Curran** (Glasgow East) (Lab): If he will list his official engagements for Wednesday 1 December.

The Prime Minister (Mr David Cameron): This morning I returned from Zurich, where I have been meeting decision makers, aiming to convince them of what a brilliant World cup England could host in 2018. On my return, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Margaret Curran: May I give the Prime Minister Glasgow's best wishes in the bid for England? I mean that most sincerely.

In a recent Lib Dem leaflet in Scotland, the Business Secretary compares tuition fees to the poll tax. Is it acceptable for the Business Secretary to say one thing in the House and, when campaigning for votes in Scotland, to condemn that policy?

The Prime Minister: I thank the hon. Lady for what she says about the England 2018 World cup. I know she would never mislead the House, so I know that what she said was utterly sincere, and I am sure it is shared by Members, whatever part of the United Kingdom they represent.

On tuition fees, let us look at the system that we are introducing. Under the new system, nobody pays anything up front. Every single student will pay less per month than they do currently. Half a million students will benefit from the increase in maintenance loans. It is time we started looking at the substance of the issue, rather than just the process.

Q2. [27559] **Caroline Dinenage** (Gosport) (Con): The Prime Minister explained how he is shuttling between London and Zurich in support of England's World cup bid. Can he update the House on how that bid is progressing, please?

The Prime Minister: I am grateful for that question. England 2018 has a very strong bid. With regard to the technical aspects, we have the stadiums, the facilities and the transport networks. We have the enthusiasm in our country for football and we can put on an absolutely first-class World cup. I know that many people will ask, "Are you spending too much time on something that might not succeed?" I would say, "If you don't get on to the pitch, you have no chance of winning." We should all get behind the bid.

Edward Miliband (Doncaster North) (Lab): I start by wishing the Prime Minister well as he plays his part in efforts to secure England's bid for the 2018 World cup. As he says, ours is a fantastic bid and all of us will be hoping for a successful outcome tomorrow.

We note that the Deputy Prime Minister is away on official business, and left the country before the tuition fees vote, but of course we understand that he had urgent business to attend to in Kazakhstan and we wish him well in that.

The Office for Budget Responsibility forecast on Monday was hailed as a great sign of success by the Chancellor, but I want to test out what it will mean for families up and down the country. The Prime Minister has been telling us for months that under his plans unemployment will fall next year, but on Monday the OBR said that unemployment would rise next year. Can he explain why that is the case?

The Prime Minister: First, I thank the right hon. Gentleman for his kind remarks about the England 2018 bid. I know that the former Prime Minister worked extremely hard on it, and I know that there is cross-party support for it. We need to maintain that as we go into the vital last 48 hours.

The right hon. Gentleman asked about the OBR forecast, which the Chancellor announced on Monday. Let me stress again that these are independent forecasts, published for the first time independently, and not interfered with by a Chancellor of the Exchequer. On unemployment, what the Office for Budget Responsibility found is that unemployment this year will be lower than previously forecast. It has not altered its forecast for unemployment next year, for which it is forecasting a rate of 8%, but it is forecasting increases in employment all the way through the forecast period. Above all, what the forecasts showed is that our policy of trying to cut the deficit and get growth at the same time is working.

Edward Miliband: What the OBR actually shows is that growth will slow next year compared with the forecast, and that is what will mean that unemployment will rise. What the Prime Minister needs to explain is why unemployment will fall next year in the USA, in Germany and in other major industrial countries, but will rise in the United Kingdom. Why is that the case?

The Prime Minister: I know that the right hon. Gentleman is determined to talk down the economy, but even he will find difficulty in finding depressing statistics in the OBR's report, because, generally speaking, what it reported was good news for the UK economy. It finds, and the last European Commission forecast report found, that average UK growth for the next two years will be higher than in Germany, France, the US, Japan, and the eurozone, or the EU average. It would be more worth while for us to debate across the Dispatch Box how we get the country's growth rate up. What reforms do we make to try to make our economy more efficient? Has he got something to say about that, or is it another blank page?

Edward Miliband: The Prime Minister asks how we get the growth of the economy up—absolutely right. What we should not do is put up VAT next year from 4 January and cut public spending by £20 billion. That is why the OBR says that we will have the weakest recovery from recession for 40 years. I come back to my point about unemployment. Can he tell us when, over the five years of the Parliament, unemployment will return to pre-crisis levels? That tests the strength of the recovery. When will it return to the levels before the recession?

The Prime Minister: We inherited an 8% unemployment rate, and the OBR says that it will be 6% by the end of the Parliament. He asked the question, he gets the answer. Let me just remind the right hon. Gentleman of something. At the last election, the Labour party, himself included, said that if we cut £6 billion out of the Budget, it would end in catastrophe for the British economy. He was proved completely and utterly wrong.

Edward Miliband: Mr. Speaker, have you ever heard a more complacent answer to a question? Families up and down the country are worried about their jobs and

unemployment will rise next year, and all the Prime Minister can say is that it is some kind of rosy scenario. Let us take the rise in VAT, because that is one of the reasons why unemployment will rise next year. Can the Prime Minister tell us what impact that will have on economic growth and jobs next year?

The Prime Minister: First of all, let me deal with VAT precisely. The former Chancellor, the right hon. Member for Edinburgh South West (Mr Darling) said:

"VAT would have allowed you to pay off a sizeable chunk of the deficit."

That is the policy that the last Chancellor supported.

If we had followed over the last six months the advice of the Leader of the Opposition, we would be linked with Portugal, with Ireland—[HON. MEMBERS: "No."] Yes. We would not be standing here today discussing how we will get faster growth and lower unemployment; we would be sitting around discussing how to rescue and bail out Britain.

Edward Miliband: Okay, Mr. Speaker—[[HON. MEMBERS: "Ooh!"] You can rewrite history for only so long. Let us be—*[Interruption.]* Let us be absolutely clear about this—*[Interruption.]*

Mr Speaker: Order. We are wasting the time of Back-Bench Members. Let us hear the Leader of the Opposition.

Edward Miliband: The deficit was 2.5% of national income before the crisis—the recession—hit all around the world. It went up all around the world; it was a global economic recession. The question is: should we cut too far and too fast, which is what the Prime Minister is doing, so that there are four years of sluggish recovery—the most sluggish recovery from recession in 40 years? Why does the Prime Minister not answer the question? Is this the most sluggish recovery from recession in Britain for the last 40 years? Yes or no?

The Prime Minister: This is one of the fastest recoveries in Europe, and the point is, if we had followed the right hon. Gentleman's advice we would not be discussing recovery; we would be discussing meltdown. He can have a blank sheet of paper about the future; he cannot have a blank sheet of paper about the past. We know we were left a record budget deficit; we remember "no more boom and bust"; we remember all the things that he was responsible for. I have to say to him that, after all that—and he has been doing the job for the last three months—people are beginning to ask, "When's he going to start?"

Edward Miliband: With that answer, it is no wonder that today we learn that the Foreign Secretary describes this gang as the "children of Thatcher". It sounds just like the 1980s—out of touch with people up and down the country. Why does the Prime Minister not admit that he is complacent about the recovery and complacent about the people who will lose their jobs? And it is they who will pay the price.

The Prime Minister: Not waving, but drowning. My mother is still with us, so she is able to testify that what the right hon. Gentleman has just claimed is not literally true, but let me say this: I would rather be a child of Thatcher than a son of Brown. *[Interruption.]*

Mr Speaker: Order. I call Tobias Ellwood.

Mr Tobias Ellwood (Bournemouth East) (Con): Thank you, Mr Speaker.

The Prime Minister will be aware that British citizens affected by the 7/7 bombings were supported by the criminal injuries compensation scheme. However, when such attacks take place abroad, such as in Bali, Mumbai or Sharm el Sheikh, no such compensation for things such as prosthesis and long-term care exists. Does the Prime Minister agree that any Britons caught up in terrorist attacks deserve our support, no matter where in the world that attack takes place?

The Prime Minister: My hon. Friend is entirely right to raise that issue. People who are victims of terror, whether at home or overseas, deserve our support, as he says. People might not know, but my hon. Friend's brother was tragically killed in the Bali bombing—that horrific attack that took place some years ago. We are looking at this very difficult issue of trying to make sure that, when we consider criminal injuries compensation and what has been proposed for injuries overseas, we have a fair and reasonable system. The Justice Secretary is looking at that, and we will come forward with proposals.

Q3. [27560] **Lindsay Roy** (Glenrothes) (Lab): The Prime Minister's Government are spending £4 billion so that councils can promote wellness, £2 billion on reorganising the NHS, £100 million on electing police commissioners and £2 million on a happiness survey. Does that not demonstrate that the Prime Minister has lost touch with reality?

The Prime Minister: No, it does not. Let me take—*[Interruption.]* Generally speaking, I think the hon. Gentleman should cheer up a bit. Let me take the issue of NHS reform. Even with the settlement that we have set out for the NHS, which involves real-terms increases each year, if we stand still with the NHS and keep the current system, we will find it running into very severe problems each and every year. So, it is necessary to reform the NHS, it is necessary to cut out bureaucracy and it is necessary to reduce management costs, so that we have a system where we actually try to create a healthier nation and, therefore, reduce the demands on our NHS. That is what our reforms are all about.

Q4. [27561] **Mr Philip Hollobone** (Kettering) (Con): Along with Jamaica, Nigeria and Vietnam, the Irish Republic has one of the largest groups of foreign national prisoners in the UK. Given that we are about to lend it more than £7 billion, could the Irish Republic be persuaded to pay for the incarceration of those people by taking them back to jails in their own country?

The Prime Minister: My hon. Friend makes an extremely good point. We are looking at how we can transfer prisoners who are foreign nationals from the UK to other countries. Obviously with Ireland the situation is slightly different, because of the long relationship between our countries. The previous Government announced that they would not routinely support the deportation of Irish nationals from the UK; that was announced in February 2007. Since then, there has been a European directive that is helpful, because it makes more automatic the removal of prisoners to other countries. But there is

still the specific issue with Ireland, and I will ask my right hon. and learned Friend the Justice Secretary to look at it to see whether we can do a little better.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Government are cutting their teaching grant to Liverpool university by 30%, to Liverpool John Moores university by 70%, and to Liverpool Hope university by 97%. Is this a policy for closing down opportunity?

The Prime Minister: No, this is a policy to make sure that we have a strong university sector in this country. *[Interruption.]* Opposition Members can object, but it was the Conservatives and the Labour Government who set up the Browne review. I would recommend that hon. Members read the Browne review, because with the alternative of staying where we are now, we would either have to cut student numbers or find universities struggling. What Browne has come up with is a proper answer for a strong university sector for the future.

Q5. [27562] **Tom Brake** (Carshalton and Wallington) (LD): Does the Prime Minister agree that when this Government are devising policy they should look at the evidence of what works in tackling reoffending, substance abuse and youth crime, rather than relying on the tub-thumping, shroud-waving, ambulance-chasing antics that pass for a policy-making process in the Labour party?

The Prime Minister: The hon. Gentleman makes a very good point. The fact is that with the difficulties of the budget deficit and the spending problems that we have, we do not have any choice but to look at the evidence and make sure that what we do works and is cost-effective. I think that we should start with the issue of drug rehabilitation, because if we can reduce drug-related crime and cut those costs we will make very great progress.

Steve Rotheram (Liverpool, Walton) (Lab): Will the Prime Minister carry out an urgent check on the satellite navigation system used in ministerial cars? My concern is that just a few short months ago the Deputy Prime Minister could not be stopped from driving himself from university campus to university campus, but since he has got his chauffeur-driven ministerial car, he has not been seen near a student union. Is the sat-nav broke, or has he simply lost his political direction?

The Prime Minister: That was a wonderfully involved metaphor. At least the Deputy Prime Minister can make up his mind whether to join a demo or not—the Leader of the Opposition cannot even decide whether to sit on the fence.

Q6. [27563] **Stephen Mosley** (City of Chester) (Con): Last week the governors of Christleton high school in my constituency made the decision to apply for academy status. However, before they made that decision, they faced a barrage of opposition from trade unions and local Labour party activists. What message would the Prime Minister send to those who seek to undermine much needed reforms of public services in order to fulfil old-fashioned, outdated, left-wing ideology?

The Prime Minister: My hon. Friend is entirely right. The academy movement—just like the city technology colleges before it—has brought greater independence and greater authority to head teachers and has led to an improvement in educational standards. If Labour Members have got any sense, they will not back off from it, and they should tell their friends in the trade union movement to stop objecting to new academies.

Q7. [27564] **Lisa Nandy** (Wigan) (Lab): I have recently come across workers in Wigan who were forced by gangmasters to work 12 hours a day, seven days a week, below the minimum wage, and were threatened and bullied when they complained. Why have the Prime Minister's Government failed to take any action to tackle this issue? Will he join me in supporting the Gangmasters Licensing (Extension to Construction Industry) Bill and help to bring an end to this appalling abuse?

The Prime Minister: This is a problem, and it is not one that has arisen suddenly under this Government—it has been a problem for many years. There are problems with gangmasters not paying the minimum wage, and we need to make sure that this is properly policed.

Q8. [27565] **David T. C. Davies** (Monmouth) (Con): Does the Prime Minister agree that the Olympics offer a golden opportunity to encourage more disabled people to take part in sport? Would he like to pay tribute to the Welsh Paralympic team, who we hope will be visiting the Welsh Affairs Committee in February? Should my right hon. Friend be available on that day, he would be very welcome to come and give his best regards.

The Prime Minister: I am happy to endorse what my hon. Friend says. As to his invitation, as he is an amateur boxer, I should probably say yes immediately. It is great that the Paralympics are returning to their birthplace for London 2012, and I am sure that it will be a great showcase for sporting talent. Obviously, I wish the Welsh team well.

Ian Paisley (North Antrim) (DUP): As the happy son of Paisley, may I too wish the Prime Minister well in his bid to bring the World cup to the United Kingdom? Will he support the campaign of the historic town of Ballymena in County Antrim to achieve city status during Her Majesty's jubilee year?

The Prime Minister: The hon. Gentleman is not only metaphorically, but biologically the son of Paisley—he is on safe ground there. I shall certainly look at the matter that he raises. I know that campaigns for city status can gain great traction. Before I start endorsing every single one, I shall look at what he has said, but I am sure that there is a strong case.

Q9. [27566] **Richard Fuller** (Bedford) (Con): The Prime Minister may have noted that the Leader of the Opposition approaches economic questions with the acumen of a novice out of his depth. By the next general election, families in my constituency will each have paid back £21,000 in Government debt. Will the Prime Minister resist Opposition demands to scale back on the deficit-reduction measures?

The Prime Minister: I will certainly resist those demands. The fact is that we inherited a situation that was completely unsustainable. Not just the Conservative party made that point; the Governor of the Bank of England, the CBI, the Institute of Directors, the OECD and the IMF were all saying that the previous Government did not have a proper plan. We needed a plan, we have got a plan and we should stick to that plan.

Mr Gerry Sutcliffe (Bradford South) (Lab): I wish the Prime Minister well in his efforts in Zurich and hope that we will get the right result tomorrow. There was a great debate in the House yesterday on school sport partnerships and there was consensus that something needed to be done. There was an offer from the shadow Front-Bench team to try to come to an arrangement on the issue. Will he look at it urgently with the Secretary of State for Education? I am sure that we can resolve this matter, because it is important that sport is available to all.

The Prime Minister: I know that the hon. Gentleman was a very successful Sports Minister in the previous Government. I thank him for his endorsement of the 2018 bid and all that we are doing to win for England.

The hon. Gentleman's point about school sport is important. I am looking carefully at yesterday's debate. We all have a shared interest: we all want good sport in schools and more competitive sport, and we all have to ensure that money is spent well. Everyone accepts that not every penny was spent well in the past. There is a quite bureaucratic system. The Secretaries of State for Culture, Olympics, Media and Sport and for Education are working hard on this issue. We are talking with head teachers to ensure that what we come up with works on the ground. I hope that we will be able to make an announcement soon.

Q10. [27567] **Graham Evans** (Weaver Vale) (Con): The plans to link London and Manchester by high-speed rail will bring huge economic benefits to my constituency and the greater north-west. Does the Prime Minister agree that anyone who wants to eliminate inequality between north and south should support High Speed 2?

The Prime Minister: My hon. Friend makes the right point in the right way. I understand that there will be difficulties with High Speed 2 in terms of the impact on some hon. Members' constituencies and on some neighbourhoods. However, it is true to say that Governments of all parties for 50 years have tried to deal better with the north-south divide and to bring our country closer together. I profoundly believe that high-speed rail and good transport links are a really good way of making that happen. This measure could succeed where others, frankly, have failed.

Q11. [27568] **Tony Lloyd** (Manchester Central) (Lab): The community of Collyhurst in Manchester has waited patiently and stoically with its insecure doors and draughty windows, while it has seen huge regeneration across large parts of Manchester. The Prime Minister will understand the sense of anger and despair in that community last week when the Minister for Housing and Local Government announced that its regeneration will not go ahead. Will the Prime Minister or the Minister for Housing and Local Government meet my hon. Friend the Member for Blackley and Broughton (Graham Stringer) in Collyhurst with tenants' representatives to see how the matter can be taken forward?

The Prime Minister: I will make sure that the Minister for Housing and Local Government does as the hon. Gentleman says. The regional growth fund will be available for investment in those sorts of areas, and the replacement of regional development agencies—the local enterprise partnerships—will, partly because they will be more locally based, have a finer-tuned ear to local problems such as the one that the hon. Gentleman raises.

Q12. [27569] **Chris Heaton-Harris** (Daventry) (Con): With the renewed prospect of travel chaos for British Airways passengers, will the Prime Minister condemn the leader of Unite's implied threat to families when he said to them, "Don't go on holiday"?

The Prime Minister: Opposition Members do not seem to think it is serious that we now have trade union leaders who actually say that there is no such thing as an irresponsible strike. There is such a thing, and those who are bankrolled by the unions ought to speak up about it.

Q13. [27570] **Andrew Gwynne** (Denton and Reddish) (Lab): Every year, about 25,000 people die from thrombosis in hospitals, which is two to three times greater than the number of people who die from hospital-acquired infection, yet many of those deaths are avoidable if hospitals follow the NHS guidance on blood clot risk-assessment. What are the Prime Minister's Government doing to ensure that the UK's No. 1 hospital killer becomes the NHS's No. 1 health priority?

The Prime Minister: The hon. Gentleman makes an extremely important point, and I know that he is chair of the all-party group on thrombosis. In answer to his question about what we are going to do, the first thing is to make available more information. It was a freedom of information request by the all-party group that showed that only 14 acute trusts in England were even close to meeting the goals for risk-assessing patients submitted to hospital for the dangers of thrombosis and blood clots. He is right, and the best thing that we can do is provide more information. That will help us to ensure that hospitals are coming up to the mark.

Stephen Williams (Bristol West) (LD): The Prime Minister will be aware, I am sure, that today is world AIDS day. What are the coalition Government doing to ensure that the tide of HIV is stemmed both at home and abroad?

The Prime Minister: The hon. Gentleman is absolutely right to raise that issue, and to say that we need to look at what is happening both at home and abroad. Abroad, the biggest decision was to maintain the commitment to 0.7% of gross national income going to our aid budget, and we make a very big contribution out of that budget to the battle against AIDS globally and to ensuring that antiretroviral drugs are made available. We also have to look at home, where there are worrying signs of infection rates that are still extremely high. We need to get the message out today and on other days about the importance of safe sex and the precautions that people should take.

Q14. [27571] **Grahame M. Morris** (Easington) (Lab): I have just got back from a visit to Israel and the west bank, and I was shocked to witness with my own eyes 13-year-old Palestinian children in leg irons and manacles in Israeli military prisons. That is one of numerous breaches of the UN charter and of article 49 of the fourth Geneva convention. Whether or not the Prime Minister is the legitimate son of Thatcher, I am sure that as a father he would join me in condemning that appalling practice, but what will the British Government do to put pressure on the Israeli Government to comply with their obligations under international law and to relieve the suffering of the Palestinian people in both the west bank and Gaza?

The Prime Minister: The hon. Gentleman raises an extremely important point. Every country should obey the Geneva convention and the other conventions that it has signed, and Israel should be no exception to that. Ministers in the Government I lead raise those issues with Israeli Ministers, as we should, and that is extremely important. The fact is, what we really need is a long-term settlement of the Palestinian issue, and we want a two-state solution. It is very important that we put pressure on both sides at all times to ensure that we make progress. The lack of progress only plays into the hands of the extremists, and we can see that all the moderates in the middle east who are trying to make progress are being undermined by our failure to do better.

Q15. [27572] **Priti Patel** (Witham) (Con): If the Human Rights Act is

"a glaring example of what is going wrong in our country",

when will the Government put the human rights of the law-abiding majority above those of dangerous convicted criminals?

The Prime Minister: It is right that we should be replacing the Human Rights Act with a British Bill of Rights. I have personally looked at the matter long and hard and believe that there is no better solution than that. We are committed to starting a process of looking at that to see whether we can remove some of the nonsenses that have grown up over recent years and show that we can have a commitment to proper rights, but they should be written down here in this country.

Eric Joyce (Falkirk) (Lab): The Government have announced an injection of £50 million of new money into the interim cancer drugs fund. Can the Prime Minister say whether there will be Barnett consequentials for Scotland, because that is new money?

The Prime Minister: We have not made any changes to the Barnett formula, so if that is Barnett-able, as it were, there will be consequentials, and if it is not, there will not be.

Bob Russell (Colchester) (LD): Does the Prime Minister think it fair that a war widow has to pay income tax on her war widow's pension?

The Prime Minister: My hon. Friend raises a very good point. We need to look at all those sorts of issues under the work that we are doing on the military covenant—there are very complicated issues of pensions and interaction with taxes. I do not want to give a flip answer from the Dispatch Box; we have a proper process of looking at the military covenant, which is the right way to do things.

Caroline Lucas (Brighton, Pavilion) (Green): Climate finance will be critical at the ongoing climate summit at Cancun. Although I welcome the fact that the Government have pledged £2.9 billion to the global climate fund, will the Prime Minister confirm that any future money pledge will be additional to existing aid budgets, and can he say what further innovative funding mechanisms he plans to employ to deliver the UK's share of the annual $100 billion pledged at Copenhagen?

The Prime Minister: The hon. Lady is absolutely right to raise that. Although Cancun will not achieve the binding global agreement that we want, it can make important steps towards that, so we can stay on track. On climate finance, first, we will stick to what was set out previously on the limit in the aid budget for money used for climate change purposes, although there are very real connections between climate change and poverty; and secondly, there is a commitment, which we will keep to, of £2.9 billion for climate change finance. Britain is a leader on that, but as she said, we must look at innovative ways of levering in more money from other parts of the world, including—frankly—from some fast-growing areas which, when Kyoto was first thought of, were very underdeveloped and are now fast-developing countries. We need to help them, but the finance should not flow only from us.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Will the Prime Minister have urgent talks with the Leader of the House and the Business Secretary on introducing legislation for a national regulator or ombudsman for supermarkets before more suppliers are decimated by their conduct?

The Prime Minister: We have new arrangements in terms of ensuring that supermarkets treat farmers fairly. All of us as constituency MPs have heard stories about supermarkets behaving very aggressively towards farmers, and it is right that there is a proper way of trying to police that independently, so that our farmers get a fair deal for the food that they produce.

Point of Order

12.32 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): On a point of order, Mr Speaker. I should like to secure advice on an answer that was provided to me yesterday during questions to the Attorney-General. In response to my question—*[Interruption.]*

Mr Speaker: Order. May I appeal to hon. and right hon. Members who are leaving the Chamber to do so quickly and quietly? It would be helpful if I could hear the point of order from the hon. Lady—I might then be in a position to respond to it.

Chi Onwurah: I asked the Solicitor-General about the UK's failure to sign up to the proposed EU directive on preventing and combating the trafficking of human beings. He said that the UK was a signatory, and repeated that in response to a question from my hon. Friend the Member for West Dunbartonshire (Gemma Doyle). However, that is not the case: the UK has opted out of the proposed directive. Could you advise me, Mr Speaker, on what is the best way for the Solicitor-General to correct his mistake?

Mr Speaker: I am grateful to the hon. Lady for her point of order. The short answer to her question is that the best way for a mistake to be corrected is for the Minister, if he has made a mistake, to correct it. We are about to hear from the hon. and learned Solicitor-General.

The Solicitor-General (Mr Edward Garnier): There was a degree of confusion; the hon. Lady's question was too general. I answered the question correctly. There are two European directives, one of which is signed, and one of which is not, hence the confusion. The former right hon. Member for Airdrie and Shotts, now Lord Reid, signed on behalf of the Government the European directive to which I referred in my answer yesterday. The hon. Lady may have referred to a different directive that has not yet been signed, so we were both right and we were both wrong.

Mr Speaker: I do not want in any sense to treat this matter with levity, but I hope the Solicitor-General will understand if I say that that absolutely ingenious response is proof of the argument that no reply from a lawyer is ever simple.

The Solicitor-General *rose—*

Mr Speaker: Order. We are grateful to the hon. and learned Gentleman. The hon. Lady has put her view very fairly and squarely on the record. We will leave it there for today. I am grateful to the hon. Lady, and indeed to the Solicitor-General.

Public Libraries and Museums Act 1964 (Amendment)

Motion for leave to bring in a Bill (Standing Order No. 23)

12.34 pm

Alison McGovern (Wirral South) (Lab): I beg to move,

That leave be given to bring in a Bill to amend the Public Libraries and Museums Act 1964 to broaden the scope of the general duty of library authorities so as to include a duty to provide related cultural facilities alongside the library service; and for connected purposes.

At a time of global economic turmoil, it may seem strange to some to want to talk about culture. However, I would like to quote in favour of doing so one of this country's finest economists, Maynard Keynes. On the publication of the first annual report of the Arts Council in 1945, he said:

"The day is not far off when the economic problem will take the back seat where it belongs, and the arena of the heart and the head will be occupied...by our real problems—the problems of life and of human relations, of creation".

He was right about that. The economic problems that we face are real, many and serious; however, culture and its role in our towns and cities is highly important. I want to raise the matter in my ten-minute rule Bill, in order to put on record my concerns about what could happen to culture in some of our towns, cities and counties in Britain.

There is real fear out there that there could be not just cuts in the arts sector—everybody appreciates that there will be cuts and that the cultural sector will need to bear its share of efficiencies—but the total withdrawal by some local authorities from providing cultural services. I give the example of Somerset, which recently cut all 160,000 of its direct grants to arts and cultural bodies, while Bedfordshire looks set no longer to fund its music service. I draw on my own experience as a councillor in the London borough of Southwark, where I had to watch the local authority close the only children's museum in London. That showed me the importance of ensuring that local authorities continue to prioritise culture.

Of course local funding choices are important. I would not dream of telling local authorities what to do—by and large. The Government's role in giving local authorities enough funding will have a massive part to play in determining whether they can provide decent cultural services. Nor do I want to be prescriptive. I am not introducing my Bill in order to tell local authorities that one kind of culture is good for them. Diversity in the cultural services provided by our local authorities is a truly good thing. In my experience, great local authorities lead on culture in places as diverse as Kent, Merseyside—my part of the world—and Leicester. We have some visionary local authorities. I pay tribute to what they do in ensuring that our towns and cities are places we can be proud of, and where there are public spaces that bring people together to share in their history and heritage.

The reason for my suggestion is to start a debate. The Public Libraries and Museums Act 1964 gives the Culture Secretary an important role. It enables the Culture Secretary, if they feel it necessary, to say to a local authority, "You're in danger of not providing sufficient library services. I want you to stop with those plans.

[Alison McGovern]

They're not good enough for the people in your area. They need a library service that provides public education"—and for a very good reason. My argument is that this public education role should be extended to the wider cultural service. There are lots of people in local authorities up and down the country who are fearful of what is to come. My question is what kind of country do we want to be? Do we want to be the kind of country where culture is, by and large, for those who already access it? Or do we want to be the kind of country where culture is for everybody and where local authorities fulfil their responsibility in involving people?

I know that there is a real appetite among local authorities to take on that role. When I put the word out that I was seeking to ask leave to introduce my Bill, I asked people to come forward with examples. I would like to quote Councillor John Warmisham from Salford. I do not know whether Councillor Warmisham agrees with my Bill—he might not—but he told me that the best example of what can be done is that of Salford Quays:

> "First we had the Lowry, which attracted the Imperial War museum in the north, and this laid the foundation for MediaCity. This will give us more jobs than when we had the docks in Salford".

That, coming from a local councillor, is a powerful example of the good that culture can do.

There is sometimes a view in the cultural sector that local authorities do not care about cultural services because they do not consider them to be as important as housing or social services, but there are many councillors out there who really do care. I want this Bill to start a debate, to highlight those councils that do great work and to determine whether we need protection in law for the cultural services provided by local authorities. I think that we do; and we at least need to have that discussion.

In Merseyside, we know—probably better than many other parts of the country—the massive value of culture to places. Of course, this is about the economy, and I must mention the impact that City of Culture '08 had on Liverpool, Merseyside and the wider north-west. I know that people will understand the importance of that, but this is also about the strength of community that was created at the time. People have pointed out to me examples of the work that went on to bring culture not only to Liverpool city centre but to the wider area of Merseyside. I know from experience in my own constituency how empowering it was for the young people and older people in our communities when the cultural services in the local authorities brought them together to discuss their history and their heritage. We need to ask whether that needs some protection in law.

The 1964 Act has been a vital backstop to our library services at a time when they feel under constant threat of being de-prioritised, driven down and questioned. I have every sympathy with local authority leaders, who are having to make terribly difficult decisions, but the 1964 Act is an important check on what might happen. It ensures that we will never have to face the situation that my own grandfather faced when he was growing up in the inter-war years. He used to go to Liverpool central library and, I confess, he used to steal books because it was not possible to borrow library books for free at that time. The Act is important because it provides a backstop and enables the Government to question any local authority that is proposing to decimate its library services.

We all know the importance to our own constituencies of the local art gallery, the museum and the local theatre. We have all seen young people from our schools gain confidence from coming into the theatre for their first performance. My reason for introducing the Bill is simply to ask whether we want to be the kind of country in which those services are available to everybody. Do we want the Secretary of State to take responsibility for those services? Such a task need not be prescriptive or demanding, and it would not require a large amount of funding, but it would allow local people to appeal to the Secretary of State and say, "Please stop. We don't want our local cultural services to close." That is important for all of us.

Question put and agreed to.

Ordered,

That Alison McGovern, Tristram Hunt, Stephen Twigg and David Miliband present the Bill.

Alison McGovern accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 June 2011, and to be printed (Bill 118).

Fixed-term Parliaments Bill

[3RD ALLOCATED DAY]

Further considered in Committee

[DAWN PRIMAROLO *in the Chair*]

Clause 2

EARLY PARLIAMENTARY GENERAL ELECTIONS

Amendment proposed (24 November): 5, page 2, line 11, leave out from 'Government' to end of line 14. —*(Mr Cash.)*

Question again proposed, That the amendment be made.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): With this it will be convenient to discuss the following:

Amendment 22, page 2, line 12, leave out '14' and insert 'ten working'.

Amendment 36, page 2, line 14, at end insert—

'(2A) In reckoning for the purposes of subsection 2(b), no account shall be taken of any time during which Parliament is prorogued or during which the House of Commons is adjourned for more than four days.'.

Amendment 37, page 2, line 14, at end insert—

'(2B) Where the House of Commons passes a motion of no confidence in Her Majesty's Government, the Prime Minister shall tender his resignation to Her Majesty within a period of seven days of the motion being passed.

(2C) On tendering his resignation under subsection (2B), it shall be a duty on the Prime Minister to advise Her Majesty to appoint as his successor the person who appears to him most likely to command the confidence of the House of Commons.'.

Amendment 25, page 2, line 24, at end add—

'(6A) In this section a "motion of no confidence in Her Majesty's Government" shall be—

(a) in the terms "This House has no confidence in Her Majesty's Government" or

(b) in the terms "This House has no confidence in the Prime Minister".'.

12.44 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): Being in this position almost persuaded me of the merits of knives, which at least enable us to conclude debates at approximately the point at which everyone else has spoken.

I remind the Committee that the amendments deal with the mechanism providing for an early general election following a vote of no confidence, as set out in clause 2(2). Last week, on the second day of this Committee stage, we engaged in a wide-ranging discussion both of the merits of the various amendments and of the Bill. Before I deal with the amendments, let me respond to some of the questions raised by Members last week.

My hon. Friend the Member for Epping Forest (Mrs Laing), who is present and who speaks for the Political and Constitutional Reform Committee, asked a number of questions relating to the constitutional consequences of a vote of no confidence under the Bill. She was particularly concerned about the possibility of a Government's forcing a general election by refusing to act both in accordance with conventions and in the spirit of the Act. She gave the example of a Government who engineered a vote of no confidence in themselves, or who sought to trigger a series of elections close to one another by refusing to resign after an election result.

If a Prime Minister who would presumably be seeking to be re-elected in a subsequent election engaged in such constitutional shenanigans, he or she would first suffer a political penalty at that election. If a Prime Minister behaved in an absolutely unconstitutional fashion, there would always be the ultimate long stop: Her Majesty the Queen could dismiss the said Prime Minister. That is the ultimate check and balance in our system. Clearly it would require an extraordinary set of circumstances, but it is the position that would obtain if our unwritten or other conventions were breached in a really appalling fashion.

Mr Richard Shepherd (Aldridge-Brownhills) (Con): By what constitutional authority does the Minister cite the extraordinary proposition that the long stop of the constitution is that the Queen may dismiss a Prime Minister?

Mr Harper: Her Majesty the Queen appoints the Prime Minister. If the Prime Minister were to behave in an unconstitutional fashion, the Queen would have the right to dismiss the Prime Minister.

Mr Shepherd: So that is the Minister's new interpretation of a constitution, or of defined practice over the years.

Mr Harper: It is not an invention; it is the constitutional position.

Mr Shepherd: No, it is not.

Mr Harper: Yes, it is.

Jacob Rees-Mogg (North East Somerset) (Con): I cannot think of an example of such a position since the reign of Queen Victoria, who refused to accept Robert Peel as Prime Minister, and I think it inconceivable that it would arise in a modern constitution.

Mr Harper: I did say that there would have to be an extraordinary set of circumstances for the Prime Minister to behave in such a constitutionally outrageous way. They would be circumstances in which a Prime Minister was abusing and stretching the constitution in order to stay in office and avoid the consequences of losing a vote of confidence in Parliament.

Jacob Rees-Mogg: I think that that is extraordinarily unlikely. It is theoretically possible that the Queen could refuse assent to a Bill, but that has not happened since the reign of Queen Anne. Such constitutional anomalies remain theoretical, but so theoretical that it is inconceivable that they would arise whatever the emergency. I really feel that to rely on that for the passage of the Bill is most unsatisfactory.

Mr Harper: I am not relying on it for the passage of the Bill. I was referring to the issue raised by my hon. Friend the Member for Epping Forest, who last week, on behalf of the Political and Constitutional Reform Committee, raised some potential scenarios with which she was uncomfortable. I believe, and the Government believe, that those scenarios are indeed, as my hon.

[Mr Harper]

Friend says, theoretical, and extremely unlikely to happen. My point is that if a Prime Minister behaved unconstitutionally in such a theoretical and extremely unlikely way, a mechanism that already exists would be invoked. However, the Government contend—and I agree with my hon. Friend on this—that both sets of circumstances are highly unlikely. It is our contention that the eventuality to which my hon. Friend has referred would not be necessary, because a Prime Minister would not behave in a way that stretched constitutional convention to breaking point.

Chris Bryant (Rhondda) (Lab): I must say that this is the second very worrying route the Minister has gone down. He is saying that if the Prime Minister were to behave unconstitutionally, the monarch would act. How would the monarch know whether the Prime Minister had acted constitutionally or unconstitutionally?

Mr Harper: I am not setting out anything that is groundbreaking: this is the position that exists now. I agree with my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) that there would have to be an extraordinary set of circumstances; indeed, I said as much. I did so because I was referring to a point my hon. Friend the Member for Epping Forest made last week in raising some concerns of the Select Committee's concerns. My view is that those concerns are not well founded because the events they address are extremely unlikely to happen and are only really theoretical in nature, but there is a response to them if they were to happen.

Mrs Eleanor Laing (Epping Forest) (Con): Will my hon. Friend reassure the Committee that it is the Government's intention to fulfil their duty and that of Parliament to protect the Crown from being put in a position where the monarch would ever have to make such an important constitutional decision?

Mr Harper: Absolutely. I can certainly say on behalf of this Government that this Government and this Prime Minister would never wish to put Her Majesty the Queen in such a position. Clearly, I cannot speak for Governments of the future, however.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I think it would help the Committee if the Minister could cite an academic paper, some judicial text or something else that bears out this notion that Her Majesty the Queen would interfere in politics in the way he is suggesting she would. Can he quote anything?

Mr Harper: The position is that Her Majesty the Queen appoints Prime Ministers and the ultimate constitutional long-stop is that if a Prime Minister behaves in a way that is outwith the constitutional position, the monarch can dismiss the Prime Minister—but that is the long-stop constitutional safeguard in our system.

Mr Jenkin: Her Majesty would have to take advice on such occasions. From whom would she take advice?

Mr Harper: Her Majesty would, indeed, take advice from, for example, her Privy Council and her other legal advisers.

Chris Bryant: Let us be absolutely clear: as I understand it, the Minister is saying that if the Prime Minister were "unconstitutionally"—to borrow the Minister's word—to engineer a motion of no confidence in himself, for instance by tabling a motion of confidence in himself and urging his supporters to abstain, the monarch would sack him.

Mr Harper: I am not setting out particular scenarios. I was making the point that we can set out some theoretical propositions that have not happened and that we think are extremely unlikely to happen. I was simply setting out that if such a theoretical and unlikely event, to use the words of my hon. Friend the Member for North East Somerset, were to happen there is a constitutional long-stop. That was all I was saying, and I think the hon. Gentleman is making rather too much of it, as it is not a new point.

Sir Peter Soulsby (Leicester South) (Lab): Although we may well accept that the scenarios we are talking about are unlikely, they are none the less possible, and while they remain possible would it not be desirable for the Government either to accept the Select Committee's amendments or, indeed, to bring forward some of their own to make sure that should such unlikely events occur, there is a clear road map for the sovereign to follow?

Mr Harper: The fact is that some of these things can happen under our existing constitutional position; they are not triggered by anything we are providing for in this Bill. Our flexible constitution has worked rather well over the years in dealing with events that have not been thought of in advance, and I see no reason to undertake a rather more significant constitutional rewrite.

This Bill is intended to do one specific thing, which is remove from the Prime Minister the power to seek a Dissolution of Parliament. It makes the necessary changes to do that, but it does not seek to make changes that are not necessary to do that; it does not seek to go wider than achieving that particular change, and I think that is very sensible.

My hon. Friend the Member for Epping Forest also asked last week how the Bill strengthened the power of the House to throw out a Government. Giving statutory effect to the vote that could bring about a general election, rather than simply relying on the conventions, strengthens the power of the House. The Bill transfers from the Prime Minister to this House the power to decide whether there will be an early general election. If I remember rightly, my hon. Friend did, however, say that she is broadly supportive of the measures in the Bill, as, I think, is the Select Committee.

The hon. Member for Rhondda (Chris Bryant) asked a number of questions last week. He asked whether the Bill should contain a provision to ensure that a motion of no confidence is given precedence so it is debated without delay. He is aware—he mentioned this last week—that there is a convention that the Government find time to debate a motion of no confidence tabled by the official Opposition. That is a long-standing convention, which has been followed by Governments. Also of

course, it would always be open to the Opposition to table an amendment to a Government motion, changing it to one of no confidence to ensure that that was debated.

The hon. Gentleman also raised a number of related points about whether particular votes could be considered motions of no confidence and whether it was appropriate for the Speaker to rule on such matters. I think I am right in saying that he was concerned that the Bill would give too much discretion to the Speaker. The Government do not consider that to be the case. We would expect the Speaker by and large to take a fairly literal approach to clause 2(2). We do not think the Speaker would be left with appreciably more discretion in dealing with this sort of question than he already has, for example under the Parliament Act 1911 when he has to certify whether a Bill is a money Bill. That is a decision he makes; it is for him. It seems to me that that is a sensible amount of discretion for the Speaker to have, although I accept it is on a different issue.

Chris Bryant: The Minister is right, of course. In fact, at present Members of the House of Lords are fiercely contesting the Speaker's decision on whether certain Bills are money Bills. My point, however, is that all that that determines is whether or not a Bill can be debated in another Chamber, whereas under this measure it would determine whether or not we had a general election and the Government had fallen. That is a very big decision to be placing in the hands of the Speaker, which heretofore has never been in the hands of the Speaker.

Mr Harper: There are two issues there. I will not dwell on the money Bill issue to any great extent, because if I were to do so you would rule me out of order, Ms Primarolo, but I have read the account of the debate in the other place to which the hon. Gentleman refers and the other place is not challenging the Speaker's ability to rule on whether a Bill is a money Bill. It is simply disagreeing with the consequences of that, and arguing that if something is a money Bill it is perfectly appropriate for the upper House to debate it in Committee and pass amendments to it, recognising that legally those amendments will have no effect if the House of Commons chooses not to take them into account. The upper House is therefore not challenging the Speaker's right to make that decision.

The hon. Gentleman is also not right to say that this is about the Speaker deciding, effectively, whether to bring down the Government. That would be a decision for the House. The Speaker would have to make a decision about certifying something as a vote of confidence. As we debated last week, it would be extraordinary if the House were debating a motion of confidence—which the Speaker would certify as such—with everybody remaining in ignorance of the fact that it was a motion of no confidence in the Government. I simply do not think that would happen. Everyone would be very well aware of the fact that it was a motion of confidence—that it had that import to it. It would be for the House to vote on the matter, and the Speaker would then certify in a way that means the decision is outside the ambit of the courts.

Mark Durkan (Foyle) (SDLP): As the Minister just appeared to touch on, under the Bill the Speaker issues the certificate only after the vote has taken place, not before. Therefore, would not the Labour amendment that specifies what is and what is not a vote of confidence be much better in everybody's terms?

1 pm

Mr Harper: I shall deal with the specific amendments shortly, when I set out why the Government think that they are unnecessary and that their drafting makes them flawed. If the hon. Gentleman does not think I have adequately dealt with his point, he will be able to intervene on me and I will happily take such an intervention. We have debated the fact that there is also a purpose in the Bill's not specifying the exact words in legislation, because such an approach gives the House some necessary flexibility. I will return to that in a moment.

Let us consider the amendments in order. Amendment 5 was tabled by my hon. Friend the Member for Stone (Mr Cash), who is not able to be here today because he is away on other parliamentary business. He explained that his amendment would remove the 14-day period before an early election was called in the event of the Speaker certifying that the House had passed a vote of no confidence. It is right to say that there would be circumstances in which it would be appropriate to move to an early election when the House determined that we should do so, and the Bill provides for that in clause 2(1). But it is perfectly possible that there may be circumstances within a fixed term in which a legitimate Government could be formed from the composition of the House as it then stood, so it would not be appropriate to insist on an election. Members will have been elected for five years, and they are able to give their approval to a Government formed from within their ranks without the need necessarily to go to the country. The House can decide to do so, because under our proposals if a vote of confidence is lost and no Government can be formed within 14 days who subsequently receive a vote of confidence, a general election would take place. It seems sensible to give the House the opportunity to test whether a Government can be formed.

My hon. Friend's amendment contained a fundamental misunderstanding about what a Prime Minister should do in the event of a Government losing the confidence of the House. Two things can happen. One possibility, under our current system, is that a Prime Minister remains in office but invites Her Majesty to dissolve the House and call a general election. Thus the Prime Minister does not resign immediately, and that is what happened when the House expressed its lack of confidence in the Government in 1979. Mr Callaghan did not resign when he lost the vote of confidence; he resigned only when he lost the subsequent election. Alternatively, the Prime Minister could resign almost straightaway after losing a vote of confidence, as happened in January 1924 when the Government's motion for the Loyal Address after the Queen's Speech was amended: Prime Minister Baldwin resigned and the Labour Opposition formed a Government. This Bill seeks to encapsulate that double-sided convention.

At the moment, if a general election has an unclear outcome, the Prime Minister is able to test his support in the House of Commons. If the House then signalled that it did not have confidence in that Government, that Prime Minister would go and a new one could be appointed. Amendment 5 would insist that another general election took place, and if the result of that

[Mr Harper]

general election was unclear, we could end up having a succession of general elections. Amendment 5 would force such elections to be held. In countries that have fixed-term Parliaments it is very common for there to be a period of Government formation after a vote of no confidence before an election is triggered. That is what happens in Germany, Greece, Italy, Spain and Sweden, so we are proposing an approach that has much precedent, which we think is sensible. We cannot ask my hon. Friend the Member for Stone to withdraw his amendment, because he is not here and thus unable to do so. However, we urge Members who are here not to insist on it being pressed to a Division.

Mr Jenkin: I have been in touch with my hon. Friend the Member for Stone (Mr Cash), who makes things complicated because he does not text people. He is in Budapest representing the European Scrutiny Committee, but he has suggested that it would be in the interests of the scrutiny of this Bill to press the amendment to a Division, and one or two of us will attempt to do so.

Mr Harper: As I said, my hon. Friend the Member for Stone is away on parliamentary business and, as he has perhaps not reached 21st century methods of communication, my words are unlikely to reach him in a timely way. So I can only urge him not to press his amendment to a vote, but I suspect that the decision on that will be for others, not for him.

Chris Bryant: As it happens, I agree with the Minister on this amendment. However, the one area that it will be worth considering on Report is whether it would be sensible to have a motion of confidence on the forming of a new Government after a general election, which should be treated in a slightly different way. Such an approach would address the 1924 situation that he suggests.

Mr Harper: The hon. Gentleman makes a good point, which has been raised by others. I believe I am right in saying that the hon. Member for Nottingham North (Mr Allen), the Chairman of the Select Committee on Political and Constitutional Reform, has said he is keen on the idea of installing Prime Ministers with an explicit vote in the House—he was speaking for himself there, not for the Committee. That would be a further change to our system and, as I said in answer to the hon. Member for Leicester South (Sir Peter Soulsby), we have made the necessary changes in the law to take away the Prime Minister's right to call an early general election, but we have not gone further. I shall think about what the hon. Member for Rhondda said and see whether we think it has merit.

The hon. Gentleman's amendment 22 seeks to replace the 14 days that we set out in the Bill for that Government formation period with a period of 10 working days. He is supportive of a Government formation period, because he would not be attempting to keep one through this amendment were he not. I think he was wanting to understand why we chose the period that we did, using calendar days rather than working days. The reason why we did so was because the calendar day period is fixed and certain, whereas working days are not, as they are dependent on things such as bank holidays.

Two legitimate concerns are involved here, and they were touched on last week. There is a concern that the number of business days in the 14-day period would be curtailed or that the date of the no confidence vote could mean that the date for the Government formation vote fell on a non-working day. Our view—I am interested to hear the hon. Gentleman's—is that discussions on Government formation would not stop on weekends and bank holidays; I suspect that they would continue, given that having a Government is probably the most important thing for the country.

There are two ways around a scenario where the vital 14th day when the vote of confidence is due falls on a day when the House would conventionally not be sitting. The first is to arrange that the no confidence motion be taken on a day that means that the House will be sitting 14 days later. The alternative is for the House simply to sit on what would traditionally have been a non-sitting day. There is nothing to prevent the House from sitting, if it chooses to do so, on a bank holiday, a Saturday or a Sunday. Non-working days are not days when the House cannot sit, even though it does not do so. There are precedents for the House sitting on such days when emergencies have happened. I believe I am right in saying that the House was recalled to sit on a Saturday when the Falkland Islands were invaded by the Argentines. Holding a vote on whether a new Government did or did not have the confidence of the House would be sufficiently important that it would be in order for the House to sit that day, even if it was not a conventional day.

Chris Bryant: The Minister is right in relation to the Falkland Islands, and I believe that the House has also sat on a Sunday on the demise of the monarch. That is precisely why we did not specify "sitting days" in this amendment; we used the term "working days" because that is the language used throughout the rest of the Bill. We sought to provide a degree of flexibility; otherwise, over Easter, when there are bank holidays on the Friday and the following Monday, there might be a sustained period when the House would find it inconceivable to sit but the Government might, none the less, want to be able to do their business.

Mr Harper: For the purposes of this particular set of motions, the only business that we would be talking about the House undertaking would be holding a vote on whether or not a new Government who had been formed had the confidence of the House. Given the things that the Government are responsible for, it would be important to have a clear Government in place for the financial markets and at difficult times. We know from experience and we can see it from what happens in other countries. Therefore, the Government formation negotiations would want to be concluded and it would benefit the country, the Government and the House for the House to vote on that without inordinate delay. If there were a number of bank holidays or other holidays in the way, that could be dealt with. *[Interruption.]* The hon. Gentleman asks about Good Friday. As I have said, the alternative is that we could arrange things by moving the no confidence vote so that it was 14 days before a sitting day.

Conventionally, no confidence motions are given time in the House very soon after they are tabled, but as long as the Government were prepared to table such a motion

very soon and agreed that with the Opposition, it would not necessarily have to be tabled the next day. I do not think that it is an inordinate problem. We think that it is sensible for there to be a fixed timetable for a Government to be formed so that everyone has some certainty. That is why we picked the time period that we have.

My hon. Friend the Member for Epping Forest spoke in support of amendments 36 and 37, which are also tabled in the names of other members of the Select Committee on Political and Constitutional Reform. Amendment 36 would make the 14 days in a period following a Government defeat a period that would not include periods of Prorogation or Adjournment for more than four days. Although I do not think that this is the intention behind the amendment, its effect would be to permit the 14-day period for Government formation to be prolonged potentially indefinitely if the House was prorogued or adjourned. The Government do not think that that is appropriate. We think that the 14-day period strikes the right balance between giving parties in this House time to discuss and see whether a Government can be formed and not allowing things to go on for so long that the country is plunged into a period of uncertainty. We do not think that amendment 36 is acceptable.

Amendment 37 provides that a Prime Minister must resign within seven calendar days of losing a vote of no confidence and recommend to the monarch a successor who appears to them to be the person most likely to be able to command the confidence of the House. I think I am right to say—my hon. Friend the Member for Epping Forest will correct me if I am wrong—that the purpose of the amendment is to avoid a situation in which a Prime Minister who has lost a no confidence vote wishes to remain in power and asks the monarch to prorogue Parliament to avoid an alternative Government receiving a vote of confidence, thereby forcing a general election.

Mrs Laing: Yes.

Mr Harper: My hon. Friend says that that is indeed the purpose of the amendment. However, I think amendment 37 is defective, because it rules out the possibility of what happened in 1979 occurring again. As I have said, Prime Minister Callaghan did not resign as a result of the no confidence motion. He remained in office, asked Her Majesty the Queen to dissolve Parliament and resigned when he lost the subsequent general election. That outcome remains a possibility under the Bill. My hon. Friend's amendment would have meant that he would have been forced to resign before the result of the election was known. I do not think that that would have been a sensible outcome.

Mrs Laing: I fully appreciate the Minister's point. Amendments 36 and 37 might well be technically defective—in any case, I have no intention of pressing them to a vote, as I said—but the Select Committee's purpose was to ensure that this issue was properly discussed and scrutinised on the Floor of the House. Will the Minister reassure the House that he and his colleagues are satisfied that it would not be possible under the Bill's provisions for the Government to seek indefinite prorogation in order to avoid a vote of confidence and a general election?

Mr Harper: I think I have set out why I do not think that that is likely. As we have heard, there are lots of theoretical possibilities that are very outlandish—I do not propose to rehash the conversations that we had at the beginning of this debate—but the Government do not think that they are realistic risks and that is why we do not think that amendments 36 and 37 are acceptable.

Let me turn now to the last amendment in this group, amendment 25, which was also tabled by the Opposition. It specifies the wording of motions of no confidence for the purposes of clause 2(2). It aims to remove the discretion of the House over its wording and that of the Speaker in his certifying of a motion of no confidence. The Government recognise that no confidence motions might take different forms, as they do now, but we do not want to remove the flexibility entirely. That raises an issue, which we will come to in the next group of amendments, to do with the House's exclusive cognisance.

If we try to set out in statute the precise form of a no confidence motion, that could raise the risks to which the Clerk of the House has alluded. We think it is better for the Speaker's certificate to be conclusive and for the Speaker to determine the nature of that certification. As I said when we touched on this matter in debating a previous group of amendments, if there were doubt—I think it unlikely that there would be—about whether what the House was discussing was a motion of no confidence, it would seem to be sensible for the Government, the Opposition and the Speaker to ensure that Members were clear on that point when they were debating it. I cannot believe that there could ever be a debate in this House about a motion of no confidence in the Government in which Members were sitting there completely unaware that they were debating the future of the Government of our country.

1.15 pm

Mr Nigel Dodds (Belfast North) (DUP): Of course, the Minister is right about the reality and the politics of the situation. He should remember, however, that we are talking about a situation in which legislation has been introduced and that legislation is always challengeable in the courts. Once things get into the courts, who knows what will happen regarding the interpretation of the provisions? For the sake of clarity and certainty, what is wrong with setting out the precise terms that must be used so that there can be no doubt? That goes to the issue in amendment 6, tabled by the hon. Member for Stone (Mr Cash), which sets out provisions for the avoidance of doubt. Surely there is merit in making it absolutely clear and plain.

Mr Harper: I shall not attempt to rush forward to the certification procedure, because we will debate it when we discuss the next group of amendments.

Let me turn to the specific amendment before the Committee. I do not think amendment 25 achieves the certainty that the right hon. Member for Belfast North (Mr Dodds) suggests would be desirable. It states that a motion of no confidence "shall be", not "must include", so it is not clear whether the motion would have to consist exclusively of the specified text or whether that text could be part of a motion, such as if it were added to a Government motion by amendment.

[Mr Harper]

The Opposition's amendment tries to specify the text of the no confidence motion, but does not try to achieve equivalent clarity as regards the motion of confidence that would have to be passed within 14 days by an alternative Government in order to avoid a general election. The amendment is trying to achieve some certainty—that was what the hon. Member for Rhondda said—but I do not think it does. I also do not think it is desirable or appropriate to try to set out the text of the motions in the Bill.

The Government think that clause 2(2) provides a clear and practical mechanism that gives statutory effect to a vote of no confidence. I have set out the Government's concerns about the amendments and I hope that hon. Members will not seek to press them to a vote.

Mr Shepherd: I should like to press amendment 5 to a vote, with the consent of my hon. Friend the Member for Stone (Mr Cash).

The Second Deputy Chairman: The question is, that the amendment be made.

Hon. Members: Aye.

Hon. Members: No.

The Second Deputy Chairman: I think the Noes have it.

Mr Shepherd: We wanted to press the amendment to a Division, Ms Primarolo.

The Second Deputy Chairman: I need to hear you pressing the amendment, Mr Shepherd. I need you to shout louder for me. I am happy to do it again, but I need to hear the vote.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 498.

Division No. 136] **[1.17 pm**

AYES

Campbell, Mr Ronnie
Davies, Philip
Hollobone, Mr Philip
Robertson, Mr Laurence
Shepherd, Mr Richard
Turner, Mr Andrew

Tellers for the Ayes:
Mr Bernard Jenkin and
Mr David Nuttall

NOES

Abbott, Ms Diane
Adams, Nigel
Afriyie, Adam
Ainsworth, rh Mr Bob
Aldous, Peter
Alexander, rh Danny
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Andrew, Stuart
Arbuthnot, rh Mr James
Austin, Ian
Bacon, Mr Richard
Bain, Mr William
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Banks, Gordon
Barclay, Stephen
Barker, Gregory
Barron, rh Mr Kevin
Barwell, Gavin
Bayley, Hugh
Bebb, Guto
Beith, rh Sir Alan
Benn, rh Hilary
Benyon, Richard
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackman-Woods, Roberta
Blackwood, Nicola
Blears, rh Hazel
Blenkinsop, Tom
Blunkett, rh Mr David
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Bradshaw, rh Mr Ben
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brennan, Kevin
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Browne, Mr Jeremy
Bruce, Fiona
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burden, Richard
Burley, Mr Aidan
Burnham, rh Andy
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Byrne, rh Mr Liam
Cable, rh Vince
Cairns, Alun
Campbell, Mr Alan
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Caton, Martin
Chapman, Mrs Jenny
Clappison, Mr James
Clark, rh Greg
Clark, Katy
Clarke, rh Mr Kenneth
Clarke, rh Mr Tom
Clifton-Brown, Geoffrey
Coaker, Vernon
Coffey, Ann
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cooper, Rosie
Cox, Mr Geoffrey
Crabb, Stephen
Crausby, Mr David
Creagh, Mary
Crockart, Mike
Crouch, Tracey
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davey, Mr Edward
Davidson, Mr Ian
Davies, David T. C. *(Monmouth)*
Davies, Geraint
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
De Piero, Gloria
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle, Gemma
Doyle-Price, Jackie
Dromey, Jack
Duddridge, James
Dugher, Michael
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellis, Michael
Ellison, Jane
Ellman, Mrs Louise
Ellwood, Mr Tobias
Elphicke, Charlie
Engel, Natascha
Esterson, Bill
Evans, Chris
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Fitzpatrick, Jim
Flint, rh Caroline
Foster, Mr Don
Fovargue, Yvonne
Francis, Dr Hywel
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Gilmore, Sheila
Glass, Pat
Glen, John
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris

Greatrex, Tom
Green, Damian
Green, Kate
Greening, Justine
Greenwood, Lilian
Grieve, rh Mr Dominic
Griffith, Nia
Griffiths, Andrew
Gummer, Ben
Gwynne, Andrew
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hamilton, Mr David
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Hanson, rh Mr David
Harman, rh Ms Harriet
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Harris, Mr Tom
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Healey, rh John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendrick, Mark
Hendry, Charles
Hepburn, Mr Stephen
Herbert, rh Nick
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hinds, Damian
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunt, Tristram
Huppert, Dr Julian
Hurd, Mr Nick
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Mr Stewart
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Mr Marcus
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeley, Barbara
Keen, Alan
Kelly, Chris
Kendall, Liz
Khan, rh Sadiq
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lammy, rh Mr David
Lancaster, Mark
Latham, Pauline
Lavery, Ian
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Leslie, Chris
Lewis, Brandon
Lewis, Mr Ivan
Lilley, rh Mr Peter
Lloyd, Stephen
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Main, Mrs Anne
Mann, John
Marsden, Mr Gordon
May, rh Mrs Theresa
Maynard, Paul
McCabe, Steve
McCarthy, Kerry
McCartney, Jason
McCartney, Karl
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
McPartland, Stephen
McVey, Esther
Mearns, Ian
Menzies, Mark
Metcalfe, Stephen
Michael, rh Alun
Miller, Andrew
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moon, Mrs Madeleine
Mordaunt, Penny
Morden, Jessica
Morgan, Nicky
Morrice, Graeme *(Livingston)*
Morris, Anne Marie
Morris, David
Morris, Grahame M. *(Easington)*
Morris, James
Mosley, Stephen
Mowat, David
Mudie, Mr George
Mulholland, Greg
Mundell, rh David
Munn, Meg
Murphy, rh Paul
Murray, Ian
Murray, Sheryll
Murrison, Dr Andrew
Nandy, Lisa
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
O'Donnell, Fiona
Offord, Mr Matthew
Ollerenshaw, Eric
Onwurah, Chi
Opperman, Guy
Ottaway, Richard
Owen, Albert
Paice, Mr James
Paisley, Ian
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Pearce, Teresa
Penning, Mike
Penrose, John
Percy, Andrew
Perkins, Toby
Perry, Claire
Pincher, Christopher
Poulter, Dr Daniel
Pound, Stephen
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Qureshi, Yasmin
Raab, Mr Dominic
Randall, rh Mr John
Raynsford, rh Mr Nick
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Reynolds, Emma
Reynolds, Jonathan
Rifkind, rh Sir Malcolm
Robertson, John
Robinson, Mr Geoffrey
Rogerson, Dan
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Sarwar, Anas
Scott, Mr Lee
Seabeck, Alison
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Sharma, Mr Virendra
Sheerman, Mr Barry
Shelbrooke, Alec
Sheridan, Jim
Shuker, Gavin
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Singh, Mr Marsha
Skidmore, Chris
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Miss Chloe
Smith, Julian
Smith, Nick
Smith, Owen
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Soulsby, Sir Peter
Spellar, rh Mr John
Spelman, rh Mrs Caroline
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Sutcliffe, Mr Gerry
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thomas, Mr Gareth
Thornberry, Emily
Thurso, John
Timms, rh Stephen
Timpson, Mr Edward
Tomlinson, Justin
Trickett, Jon
Truss, Elizabeth
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin

Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walley, Joan
Watkinson, Angela
Watson, Mr Tom
Watts, Mr Dave
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Chris
Williamson, Gavin
Willott, Jenny
Wilson, Phil
Wilson, Mr Rob
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wollaston, Dr Sarah
Wright, David
Wright, Mr Iain
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and
Jeremy Wright

Question accordingly negatived.

The Second Deputy Chairman: When, after voting, Members remain in the Lobby behind the Speaker's Chair, they need to be quiet; otherwise it is impossible to hear the vote in the Chamber.

Amendment proposed: 36, page 2, line 14, at end insert—

'(2A) In reckoning for the purposes of subsection 2(b), no account shall be taken of any time during which Parliament is prorogued or during which the House of Commons is adjourned for more than four days.'.—*(Sir Peter Soulsby.)*

Question put, That the amendment be made.

The Committee divided: Ayes 202, Noes 297.

Division No. 137] **[1.35 pm**

AYES

Abbott, Ms Diane
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Cooper, Rosie
Crausby, Mr David
Creagh, Mary
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davies, Geraint
Davies, Philip
De Piero, Gloria
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jenkin, Mr Bernard
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McDonnell, Dr Alasdair
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Phil Wilson and
Mr David Hamilton

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Dodds, rh Mr Nigel
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, Mr Elfyn
Lopresti, Jack
Lord, Jonathan
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Paisley, Ian
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Percy, Andrew
Perry, Claire
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Mr Laurence
Rogerson, Dan
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Spelman, rh Mrs Caroline
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger

Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and
Mr Shailesh Vara

Question accordingly negatived.

Mr Jenkin: I beg to move amendment 6, page 2, line 15, leave out subsection (3) and insert—

'(3) Any certificate of the Speaker of the House of Commons given under this section shall be conclusive for all purposes and shall not be presented to or questioned in any court of law whatsoever.'.

The Second Deputy Chairman: With this it will be convenient to discuss the following:

Amendment 23, page 2, line 17, at end insert—

'(4A) The Speaker shall issue a certificate under subsection (1) or (2) within 24 hours of the relevant conditions being met under subsection (1) or (2).'.

Mr Jenkin: Amendment 6 stands in the name of my hon. Friend the Member for Stone (Mr Cash), who, as I mentioned earlier, is abroad on other House business as Chair of the European Scrutiny Committee.

We are at a curious juncture in the Bill and, indeed, in our constitutional history. The background to the amendment is the tension, since time immemorial, between this House's ability to function immune from judicial interference, and the courts, which periodically have sought to limit the extent to which we can continue our business unimpeded by the courts. That was, of course settled—to a degree—in the Bill of Rights in 1789—

Mr Geoffrey Cox (Torridge and West Devon) (Con): 1689.

Mr Jenkin: Sorry, 1689. My hon. and learned Friend will keep me up to the mark, because he is much more of a lawyer than I am.

In recent years, however, the tension between the courts and the independence of this House has been thrown into relief. I remind the Committee of cases such as the one brought by Lord Rees-Mogg for judicial review of the ratification of the Maastricht treaty after this House had passed an Act of Parliament.

Jacob Rees-Mogg: I would like to clarify that the judicial review case brought by my noble kinsman was not in any way to challenge what had happened in this House. It was to challenge the use by Ministers of the royal prerogative, which is why the judicial review was allowed by the courts.

Mr Jenkin: I stand corrected—again. I fear that that may occur rather often during my presentation. The case relating to the Hunting Act 2004 was certainly an attempt to impede the free functioning of Parliament in its judicial function. In addition, an attempt was made to judicially review the lack of a referendum on what was then the Lisbon treaty. There are other examples of that tension, not least over the arrest of my hon. Friend the Member for Ashford (Damian Green), and I believe that only today, in connection with another matter, are the limits of the courts being resolved.

The present situation begs for something that many have recommended for some time: that this Parliament should have a privilege Act to delineate clearly the immunities of Parliament in relation to the functioning of the courts, but we are in an even more tense situation because we are arranging our constitution in other areas that question the very sovereignty of the House. We now have a Supreme Court and it is widely known that many jurists who serve at various levels of the judiciary take differing views of the notions of parliamentary sovereignty and parliamentary privilege. There was recently a case concerning the possible effective expulsion of an hon. Member as a result of a judicial decision. I do not comment on its merits as it is still sub judice. I merely advert to the fact that it represents another testing of the boundaries between the courts and Parliament.

We are told not to worry—the Bill's provisions are immune from the courts, and nobody is going to interfere in what we decide is a Speaker's certificate, certificating a vote of no confidence that satisfies the majority. When we are blandly and bluntly told that by the Government and at the same time told by the Clerk of the House who has bravely and independently—in his constitutional capacity as an independent guardian of our constitutional arrangements—issued a memorandum, to which I shall refer later, that flatly contradicts the Government's view, we are obliged to take the matter very seriously.

I cannot think of a precedent, other than the Parliamentary Standards Bill, where a Government flatly refused to accept the advice of the Clerk of the House on a question of the potential justiciability of legislation before the House. The Bill before us is a major change to the constitutional settlement of this country, and it is backed by people in the Government who we know favour a written constitution—an entirely different constitutional settlement. That raises the question whether the Government have got it right when they say that the Clerk's fears are to be disregarded.

With the indulgence of the Committee, I shall quote rather extensively from the memorandum submitted by the Clerk as written evidence to the Political and Constitutional Reform Committee. He states that the Bill is

"to make statutory provision for matters which fall within Parliament's exclusive cognizance and which may affect the established privileges of the House of Commons as well as upsetting the essential comity which has been established over a long period between Parliament and the Courts."

Erskine May makes it clear that "cognizance" refers to the right of both Houses

"to be the sole judge of their own proceedings, and to settle—or depart from—their own codes of procedure."

The Clerk is clear in a bald statement in paragraph 12 of his memorandum:

"The Bill brings the internal proceedings of the House into the ambit of the Courts, albeit indirectly by the route of Speaker's certificates."

He goes on to explain how that occurs under clause 2(2), which we have already debated. In paragraph 16 he states:

"The provisions of this subsection make the Speaker's consideration of confidence motions and the House's practices justiciable questions for determination by the ordinary courts."

That should be obvious. We know that Crown prerogative, as exercised by the Prime Minister, is subject to judicial review. We know that statute is subject to judicial review. We know that proceedings in the House and Standing Orders have not hitherto been subject to judicial review or judicial question. The Bill provides a connection between what happens in the House and in the rest of the world. We are providing a bridge of law that brings the courts into the House.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Does the hon. Gentleman think, therefore, that the amendment goes far enough? The solution, as the Clerk of the House sees it, is for the Speaker's certificate to be provided for not in statute but under a Standing Order, which would prevent the courts from interfering in the proceedings of the House.

Mr Jenkin: The hon. Gentleman makes an extremely important point, to which I shall return. The entire Bill could be dealt with through Standing Orders. The only reason we have a Bill is either that a Bill is favoured by those who want to move towards a written constitution—I do not remember that being in anybody's manifesto—

Chris Bryant: Ours.

Mr Jenkin: There we are. Perhaps that is why the Opposition support the Bill. We have just had a Division in which 400 right hon. and hon. Members were in the No Lobby and only a handful of us in the Aye Lobby. That underlines the curious consensus in favour of certain principles of the Bill. I do not think either of the elected parties in the coalition was in favour of a written constitution—*[Interruption.]* That is two parties, but the one that won the election certainly did not—

Chris Bryant: To clarify, I think the Liberal Democrats were in favour of a written constitution, and we were in favour of looking at a written constitution.

Mr Jenkin: I do not remember that being a great issue in the general election, but we are, in effect, creating one of the standard features of a written constitution, thereby tempting the courts to start interfering in the internal workings of the House.

Mr Harper: For the avoidance of doubt, the Government's position is that they are not in favour of moving to what is more accurately said to be a codified constitution. Many of our constitutional principles are, of course, written down, just not in one document. It is not the Government's position to do so. I hope that cheers my hon. Friend up.

Mr Jenkin: I am grateful for that assurance. The Minister, who in all these debates has shown impeccable manners and tact despite the pressure he is under, should be looking for an alternative way of delivering this part of the coalition agreement, to which the hon. Member for Stoke-on-Trent Central (Tristram Hunt) alluded.

The Speaker's decisions will be taken under immense political pressure, as he decides what constitutes a confidence motion, what amendments might be tabled to amend a confidence motion, whether, if carried, that would invalidate the motion, whether the amendment could constitute a motion of confidence, and the consequences of amendments being carried or the motion being carried.

I quote again from the Clerk's memorandum:

"As these would become justiciable questions, the courts could be drawn into matters of acute political controversy."

I respect the fact that many in the House think we should have a Supreme Court like the European Court of Justice in the European Union or the Supreme Court of the United States, which is essentially a political court, but that is a very big constitutional change. We ought to have a royal commission about it, there ought to be debates on the Adjournment about it and the implications of drawing the courts into politics, if that is what we are going to do, ought to be properly explored. The way in which the Supreme Court is appointed to make it accountable for its political judgments is another important question.

We are importing continental and American-style jurisprudence into our judicial decision making. Some judges are becoming more and more adventurous about how they interpret statute and where they feel entitled to make judicial interpretations, and the Bill invites them to decide when there might be a general election under particular circumstances.

Jesse Norman (Hereford and South Herefordshire) (Con): Will my hon. Friend distinguish between two things: judicial activism, where there is extraordinarily little evidence that judges in this country are overreaching, although the same is not necessarily true in Europe and in the European Court, and impingement on the prerogatives of Parliaments, which is what the Bill covers? We should be focusing on the latter point.

2 pm

Mr Jenkin: I am perfectly prepared to accept that point. I refer to judicial activism only because there are champions of judicial activism who would like the courts to be more judicially activist. The Bill creates circumstances whereby we tempt judicial activism, which is contrary to our legal traditions. It increases the danger of the Government's assurances simply not being delivered, or of their not being able to make these assurances with any confidence.

The Clerk, in his memorandum, specifically says:

"In the case of Clause 2(3) it would be for the court to determine whether a document issued by the Speaker was a 'certificate' for the purposes of that clause. It is not impossible for a court to take the view that what appeared to be a certificate was not a 'certificate'".

The memorandum has been considered by the Select Committee, which attempted, in the short time available, to conduct pre-legislative scrutiny. It reached two principal conclusions. Paragraph 8 states:

"The Government needs to respond to the concerns expressed by the Clerk of the House of Commons about the potential impact of clause 2 of the Bill on parliamentary privilege."

Paragraph 9 states:

"The purpose of the Bill needs to be achieved without inviting the courts to question aspects of the House's own procedures or the actions of the Speaker, except where this is absolutely unavoidable and clearly justifiable."

The qualification reflects the fact that on the Committee there was some disagreement about the seriousness of the threat and between those who are in favour of a written constitution and those who are in favour not of a written constitution but of the settlement that relies upon our immunity.

[Mr Jenkin]

On whether there are alternative ways of achieving the Bill's intentions without the risk of judicial interference, the Committee noted, in paragraph 38:

"As the Committee has noted, setting out the requirement in Standing Orders would not be satisfactory because Standing Orders can be amended, suspended or revoked by a single simple majority vote of the House of Commons only."

That is not correct. I have taken further advice from the Clerks and I have a letter from the Clerk Assistant and Director General, Mr Robert Rogers, which, if the Committee will indulge me, I will quote. He explains that there is a precedent of super-majorities in Standing Orders being used, for example, on closure motions in the 1880s. He says:

"As to the practical issue of a "super-majority" SO being able to be amended or repealed only by a super-majority, I see no difficulty. The Speaker would be the arbiter of whether a motion...either was (a) orderly and (b) had been agreed to; he would be bound by the Standing Order (which should perhaps contain an explicit prohibition on "notwithstanding"-type Motions), and his decision would be beyond any external review."

That neatly and devastatingly removes the need for the entire Bill. We could be operating entirely through Standing Orders, which would be protected by the super-majority that the Government want to embed in legislation for general elections. It leaves the question of why the Government are resisting this advice.

Amendment 6 is a more elaborate way of saying what the Government have already put in the Bill. I would be the first to accept that it may be regarded as a more elaborate bit of sticking plaster, because the clause will be subject to judicial interpretation. A certificate could not be presented to the courts—not even the Speaker could present one to a court for adjudication. The word "whatsoever" in the amendment means that we are referring not just to our own courts, but to the European Court of Human Rights, which is not just a figment of some Eurosceptic's imagination. The Clerk himself has adverted to the fact that the ECHR, under article 10, could be adverted to as a cause for judicial review.

If a Member of Parliament was prevented from voting in the motion of confidence, they could say that their vote should be taken into account for a valid certificate to be issued by the Speaker. They could therefore mount a challenge saying that the certificate was not valid because they were prevented from voting. A question also arises if sick colleagues cannot get into the Lobby and are nodded through. Would that constitute a ground for challenging a vote of confidence?

Jesse Norman: Was not there an example in the 1970s of whether a Member had been able to vote? There was a tied vote and Harold Lever, I think I am right in saying, felt that he had not been able to exercise his vote. He might have had grounds under this Bill, if the Clerk is right, to invoke the care and attention of the courts.

Mr Jenkin: My hon. Friend adverts to an extremely relevant precedent. What would happen if a two-thirds majority was obtained, or not obtained, by just one vote, or the Speaker interpreted the result as a vote of confidence where there was one vote in it that was represented by somebody who was or was not present for whatever reason? These are very dangerous areas.

I have two final points, and I am grateful for the indulgence of the Committee in allowing me to quote extensively from documents. The Bill is being driven by an extraordinary consensus on some issues and by the fact that it is so close to the survival of the coalition that it is difficult openly to debate it. The Prime Minister said before the election that Committee stages of Bills should not be whipped, so that what a Committee thought can be understood. The Whips are out in force today, and I do not think that we will really find out what Members think about it. However, that invites the other place to look at the privilege and immunities of the House, and to propose comprehensive amendments that protect Parliament from judicial review.

Mark Durkan: Is the hon. Gentleman satisfied that either the Bill or amendment 6 would protect against judicial intervention on the ground of failure to issue a certificate—a controversy that could easily arise, particularly in the light of provisions in respect of a motion of no confidence? The certificate issues only after the 14-day period has been allowed—it does not issue at the time of the debate or just after the vote, but later on—and there could be controversy about the failure to issue a certificate or about whether a certificate could be issued. Someone might try to bring that to the court.

Mr Jenkin: The hon. Gentleman is absolutely right. The amendment, as drafted by my hon. Friend the Member for Stone, deals with only one aspect of the matter, and, given our limited time to scrutinise this enormously important Bill, I explicitly invite the other place to look carefully at all the aspects and the advice of the Clerk. One of its own Committees is considering the matter and might well come up with different conclusions from those of the Commons Political and Constitutional Reform Committee. The Lords sorted out the IPSA Bill, under which they kept our proceedings immune from the courts, and I very much hope that they will do the same with this Bill.

My concluding point is a general one about the Bill but is relevant to the amendment. I do not think that I can recall a major constitutional measure that was so closely associated with the survival of one Administration. We have to pinch ourselves when we think of what we are doing in reality: we are completely changing our constitutional settlement at the behest of a coalition, so that it can remain in power for five years. I do not even think that that is ethical. Parliament's immunity is basically being screwed up, and, although a Bill can at least be repealed, once the courts have been allowed into our proceedings, we will never get them out again without a major break in the constitution such as in 1689.

All that can be forestalled if the Minister simply says, "These matters cannot be resolved today," because they cannot be resolved on the basis of parliamentary counsel's advice to Ministers about the drafting of Bills. We need the other place to give the highest and most independent legal advice to ensure that we do not inadvertently bring about what the Government themselves do not want to see.

Chris Bryant: Many thanks are due to the hon. Member for Harwich and North Essex (Mr Jenkin), who has done us a great favour by pointing out some of the

problems in this small aspect of the legislation. He is absolutely right to say that large parts of the Bill exist only for the preservation of a single Administration. I do not know the appropriate Latin equivalent of ad hominem legislation, but this is "ad administrationem" legislation, which is why some provisions will not stand the test of time. The best that we can do is try to ensure that the elements of real peril are tidied up.

The hon. Gentleman was right in several regards, but not in one. He talked about the IPSA Bill having been miraculously improved in the other place, but none of us really thinks that we ended up with a perfect situation or that nirvana arrived by virtue of that Bill. However, on the Bill before us—I suspect this would also apply to the other constitutional Bill that we recently scrutinised—he is right that if there were a free vote, none of the legislation would go through at all.

Mr Jenkin: If the Parliamentary Voting Systems and Constituencies Bill had been separate Bills, I do not think that either would have gone through.

On the IPSA Bill, at one stage there was a proposal to allow IPSA to adjudicate on and punish Members for breaching the rules. That would have driven a coach and horses through our traditional immunities under the Bill of Rights, but it was removed in the other place.

Chris Bryant: Indeed. As the hon. Gentleman said earlier, a privileges Act will be needed at some point, and I hope that the Government turn to such legislation. I realise that there are problems with any written or "codified"—to use the Minister's term—constitution, because one risks making it justiciable and must then decide what will be the justice that oversees it. Will it be a supreme court or a constitutional court, such as many other countries have? That is a debate for another day, however.

2.15 pm

The issue of the Speaker's certificate can be addressed only in relation to how it is operated in motions of no confidence, so I do not intend to stray far, Mrs Primarolo, from the specific issues involved. Nevertheless, in the previous debate the Minister said that all the amendments dealt with wildly hypothetical situations. Those were not his precise words, but broadly speaking that is what he meant, and he was right in a sense. When one starts writing bits of the constitution into statute, however, one has to provide for the hypothetical situation that suddenly arises when, for example, voters have cast their votes not so conveniently as to provide for a single majority party in government, or when a party—as has happened regularly over the past 200 years—has collapsed into two parties and is not able to sustain itself in power.

It is important that we consider the unlikely outcomes that might transpire, because if they were to transpire they would provide us with an enormous constitutional headache, and we would have literally no means of sorting them out, because we would have no other court to appeal to in order to sort out the constitutional row. For instance, if the monarch decided to sack the Prime Minister—this point was raised earlier—other than revolution I know of no other means that we would have to enforce what we all understand to be the proper constitutional settlement.

I presume that the Government have drawn up the provision on the Speaker's certificate as they have done in an attempt to mirror provisions in the Parliament Act 1911, as amended of course in 1949. In an attempt to ensure that in accordance with the Bill of Rights the courts did not interfere in parliamentary proceedings, that legislation tried to provide a cast-iron process whereby the Speaker could certificate that certain Bills were money Bills and did not, therefore, have to go through the same process in the House of Lords as other Bills. It also provided that if a money Bill were amended or not passed by their Lordships within a certain period—I think it is a month—it would be automatically be sent to Her Majesty for Royal Assent.

I also presume that the Government have used that legislation to draw up the legislation before us, because section 1(3) of the 1911 Act states that

"the Speaker shall consult, if practicable, two members to be appointed from the Chairmen's Panel at the beginning of each Session by the Committee of Selection."

That process still occurs, and Mr Speaker doubtless went through it before he recently certified several Bills as money Bills.

There is a difficulty, however, with transposing that provision directly into provisions for a situation in which the Government have lost a motion of no confidence, or into measures that provide the Speaker with a series of fairly significant powers. The Speaker will get to decide when to issue that certificate. As the hon. Member for Harwich and North Essex has already said, that means that the Speaker will decide whether nodding people through when Members are on the parliamentary estate and a Whip, by agreement between the Whips from both sides, nods them through at the end of a vote by saying, "And two more," is allowed.

The Speaker will decide also, for instance, whether 14 days have passed since the no confidence motion has been carried. That is important, because past debates on a motion of no confidence might have started at 3.30 in the afternoon, but they certainly did not finish by midnight; sometimes, they took up the whole of the next day's business. In parliamentary terms, Members were still on the first day, so the question whether 14 days had transpired would be a moot point.

Further, the Speaker will decide what is a motion of no confidence. I therefore presume that, similarly, he will decide what is a motion of confidence. The hon. Gentleman is absolutely right that many of those issues could be dealt with in Standing Orders. That would be very helpful to the House on the question of what counts as a motion of no confidence or of confidence, in particular, because this is a matter not of partisan advantage or ideological divide, but of trying to ensure that there are practical measures to obviate a constitutional disaster should the moment arise.

It would be helpful if the Minister were able to tell us whether he is minded to suggest to the Deputy Leader of the House that there should be motions to change the Standing Orders of this House to make some of the conventions that currently exist part of Standing Orders. For instance, there is the question whether we should have in Standing Orders the provision that when the Opposition demand a motion of no confidence it should usually be provided, say, within 24 or 48 hours, or provision concerning how the Speaker goes about the certification process.

Mr Shepherd: I am a little puzzled as to why the hon. Gentleman comes to the conclusion that this needs to be codified in any way. Our history demonstrates quite openly that this House comes to such a resolution by the processes of the House. When Mr Chamberlain won the famous Norway debate, he recognised that there was no confidence in him personally. These matters are eventually decided by the House and by the judgment of individuals. Surely that is the better way of doing it.

Chris Bryant: In a sense, that is an argument against the whole Bill which I understand. I know that the hon. Gentleman is not saying that this is a conspiracy, but I think that the hon. Member for Harwich and North Essex feels that a bit of a cosy consensus has developed around the fact that there should be a codification of fixed-term Parliaments. We agree with that codification. However, once one starts to codify one element, one has to codify rather a lot of them. That is why I have wanted to codify what counts as a motion of no confidence and what should be a motion of confidence. Perhaps we should have tried to codify it in a slightly different way so that, for instance, a motion to amend the Loyal Address could also be considered as such, as in 1924.

Mr Jenkin: What the hon. Gentleman is suggesting might well be sensible in one respect, but I fear that it will not prevent the courts from having a go at this. Indeed, if what constitutes a motion of confidence is codified in our Standing Orders, the courts will then be interpreting whether our Standing Orders reflect what could be regarded as such. If he wants clarity and is seeking to provide a better definition, this has to be put into the legislation. Of course, that reflects the point that we are tempting the courts to interfere in the proceedings of this House.

Chris Bryant: That is an interesting point. The Bill of Rights refers, I think in section 9, to the fact that proceedings in Parliament shall not be touched by any other court. The moot point then is what constitutes a proceeding in Parliament. There have been many discussions about this over the past couple of years, not least in relation to the arrest of the hon. Member for Ashford (Damian Green). The hon. Member for Harwich and North Essex is right in one sense. However, I have presumed—this is the advice that I had when I sat on the Government Benches as Deputy Leader of the House—that parliamentary privilege covers proceedings in Parliament and the whole of the Standing Orders of this House, because that how this House chooses to proceed. I think that there is greater security in the Standing Orders of the House.

Another issue is how we ensure that the Speaker is not dragged into a partisan contest, particularly at a moment of great political drama. As I said in an earlier debate, my concern is that if it is left for the Speaker to have to determine all these elements, the Speaker's impartiality is compromised.

Another strange element of the Bill is the provision that says that before the Speaker issues his certificate, he shall consult the Deputy Speakers. That mirrors the provision in the 1911 Act whereby the Speaker, before issuing his certificate on a money Bill, has to consult two members of the Panel of Chairs. What happens if all the Deputy Speakers disagree with issuing the certificate? Why should the Speaker have to consult? One presumes that it is simply a matter of fact, although I suppose we all know that facts are rarely clearly delineated and are rather more subjective than most people would want to admit. The point is, however, that this puts the Speaker and potentially the House in peril, because people may want to contest any one of the various elements of the Speaker's decision. One of the matters that would almost certainly arise if there were any contest as to whether the certificate was being rightly issued is what the Deputy Speakers had said. That is an unfortunate direction for us to take.

We have tabled an amendment, on which I hope to divide the Committee, on the timing of when the Speaker issues the certificate. At the moment, the Bill makes no provision whatsoever on when the Speaker's certificate should be issued. One therefore presumes that it could be a month, two months or several months after the passage of two weeks. Let us say, for instance, that after a motion of no confidence has been carried, the Government try to reform themselves with a different concatenation of political parties and do not manage to secure a new motion of confidence, but there are still patently ongoing negotiations that are nearing their closing phase. Would it then be all right for the Speaker not to issue a certificate at that point but to wait until such time that another Government had been formed? The difficulty is that if the Speaker chose not to do so, who is to gainsay the Speaker? There is no provision in the Bill for what would happen if the Speaker has not done what the Bill requires.

For all those reasons, I believe that this element of the Bill is flawed. I also believe that certain elements should not be in statute but should be in Standing Orders in order to provide greater certainty for the House by taking them within the concept of proceedings of this House. Above all, I want to ensure that there is no uncertainty about the specific provision as to when the Speaker has to act and when the Speaker may act.

Jesse Norman: I wish to speak in favour of the amendment. First, may I congratulate my hon. Friend and neighbour the Minister on the very calm and effective way in which he has steered this legislation through the House?

None the less, it seems to me that a basic issue with the legislation remains unresolved. It has been described in this House as a matter of parliamentary privilege, but in fact it concerns the fundamental principle of parliamentary sovereignty. One thinks of the magisterial words of A.V. Dicey:

> "The principle of Parliamentary sovereignty means neither more nor less than this, namely that Parliament thus defined"

by which he means the King or Queen in Parliament, rather than just Parliament itself—

> "has, under the English constitution, the right to make or unmake any law whatever: and, further, that no person or body is recognised by the law of England as having a right to override or set aside the legislation of Parliament."

That is the cardinal principle at issue today. It is worth saying that our parliamentary sovereignty remains intact in principle. It remains open to this House to repeal, if it so wished, the Act of Settlement 1701 by simple majority. The sovereignty of Parliament can thus be deliberately limited in its effects by this House—for

example, by treaty—but it should not be limited by accident, by inadvertence or by over-confidence. There is a risk—a small risk—that this will happen under these provisions.

The Clerk of the House has advised in writing and in testimony that to include parliamentary voting procedure in statute would risk judicial scrutiny of the proceedings of this House, and possible legal challenge. It is important to note that this is not merely the view of the Clerk of the House, but also the view of Speaker's Counsel, and it has legal authority behind it. That is simply because the functions described under the clause are statutory functions, and it would therefore be for the courts to determine whether those functions are lawfully exercised. That is, of course, advice rendered to the House, not to the Government.

2.30 pm

This issue was rightly taken up by the Political and Constitutional Reform Committee in its report on the Bill. In response, the Government relied on expert witnesses to show that the Bill would avoid unwarranted legal challenge. As has been discussed, the Clerk recommended a way past the problem, which was that the procedure should be written into Standing Orders, but that was rejected by the Government. In my judgment, it is perfectly legitimate for the Government, after due consideration and on legal advice, to insist on their preferred approach of including the relevant procedures in the legislation, rather than in Standing Orders. Nevertheless, we are discussing a separate issue—related, but separate.

I believe that the Government would be well advised to accept the amendment for three reasons. First, as with all legal issues, this issue is not absolutely clear; it does not admit of certainty. The Government have relied on expert advice, but when Dawn Oliver and Anthony Bradley gave testimony to the Political and Constitutional Reform Committee, both experts acknowledged the small but clear risk of judicial challenge. They stated that precedent and statute are being relied on that may themselves require new legislative support. As has been noted today, that risk would be magnified by the heat and time pressure of an election.

I would like to correct something that I said earlier to the Committee with reference to Harold Lever, by quoting from the evidence of the Clerk of the House before the Political and Constitutional Reform Committee:

"I won't bore the Committee with too many precedents, but I couldn't resist this one. This is from 1974 and it's to do with the passage of the Trade Union and Labour Relations Bill. I will read a very short extract from the Journal of that year. 'Mr Harold Lever, Member for Manchester Central, acquainted the House, That in the Divisions on Amendments…to the Trade Union and Labour Relations Bill…he was recorded as having voted with the Noes, but he had to inform the House that he was not within the Precincts of the House at the time of those Divisions and that in consequence his vote ought not to have been so recorded.'"

The Clerk continued:

"In this case, when Mr Lever came to the House and acquainted the House about his absence, the whole procedure was declared null and void, including the Third Reading of the Bill. The Bill had to be called back from the House of Lords and the whole process had to happen again."

He concluded:

"I don't think I need labour the point of what this would mean in terms of a no confidence vote."

Secondly, I think that the Government should accept the amendment because there is a clear trend of more public decisions falling under the scrutiny of the courts. I do not think that that is currently happening in domestic law, and in my view fears over judicial activism are misplaced. Nevertheless, we now have an independent Supreme Court that might not always exercise the restraint and care that has been shown by the present generation of judges in acknowledging and preserving the principle of parliamentary sovereignty.

The European Courts are taking a greater interest in domestic matters. The European Court of Human Rights has heard at least one case that the British courts would not consider on the grounds that it fell under parliamentary jurisdiction. European judges have expressed concern over the lack of remedies against the exercise of parliamentary privilege.

Mr Jenkin: My hon. Friend is making an extremely important point about the European Court of Human Rights. As soon as something gets into the Court, it respects no immunities whatsoever—nor does the European Court of Justice, but that is not adverted to in this case. Once a case is in that system, we do not know where it will lead. The European Court of Human Rights certainly would not respect the limitations of the 1689 Act.

Jesse Norman: I do not wish to comment on the procedure or intention of the European Courts, but I note merely that it is true historically that their scrutiny has extended itself over time. It is noted less than it should be that European judges have expressed concern about the exercise of parliamentary privilege and about the lack of remedies that people possess against its exercise.

The final reason why the Government should look again at the amendment is that the consequences of a mistake could be momentous. In the short term, a dissolution of Parliament and thereby an election could hang on it. In the longer term, there could be wider political and constitutional implications of judicial scrutiny of our power.

The amendment is simply worded, it offers an additional layer of protection for Parliament against a serious threat, and it does so at little or no additional cost. I urge the Minister to give it serious consideration.

Tristram Hunt: I, too, shall speak to amendment 6, which would take us some way in the direction in which we should be heading to protect this place from the actions of the courts.

Every day, as the hon. Member for Harwich and North Essex (Mr Jenkin) said, we see growing evidence of interference by and elements of activism in the courts. We now have the Supreme Court in Parliament square, and large buildings tend to have large consequences. The emeritus professor of public administration at University college London, Professor Gavin Drewry, has recorded a major shift towards cases of public law, with some high-profile cases having a constitutional air:

"The establishment of the Supreme Court is an important constitutional landmark, and it would be surprising if the Court itself were to stand completely aside from the ongoing process of constitutional development."

There is a strong sense of certainty that the Supreme Court will be involved.

[Tristram Hunt]

It is apposite to be discussing this Bill after this morning's judgment in the case of three former Members of this House, Morley, Chaytor and Devine, and also a peer, against their claim of parliamentary privilege. In his summation, Lord Phillips noted that

"extensive inroads have been made into areas that previously fell within the exclusive cognisance of Parliament."

His statement should be of major concern to parliamentarians when considering the Bill, and in particular to Ministers, who I hope have read and digested the judgment and are coming to sensible conclusions about it.

If I may, I shall quote Lord Phillips at greater length:

"Where a statute does not specifically address matters that are subject to privilege, it is in theory necessary as a matter of statutory interpretation to decide a number of overlapping questions. Does the statute apply within the precincts of the Palace of Westminster? If it does, does it apply in areas that were previously within the exclusive cognisance of Parliament? If so, does the statute override the privilege imposed by article 9? In practice there are not many examples of these questions being considered, either within Parliament or by the courts. If Parliament accepts that a statute applies within an area that previously fell within its exclusive cognisance, then Parliament will, in effect, have waived any claim to privilege."

Those are damaging and dangerous comments, which have wide repercussions.

Lord Phillips argues that the ultimate judgment of such matters rests with the courts. He quotes approvingly a letter written on 4 March 2010 by the Clerk of the Parliaments to the solicitor acting for Lord Hanningfield which had been approved by the Committee for Privileges:

"Article 9 limits the application of parliamentary privilege to 'proceedings in Parliament.' The decision as to what constitutes a 'proceeding in Parliament', and therefore what is or is not admissible as evidence, is ultimately a matter for the court, not the House."

We should consider that evidence and the actions of a growing number of judges in considering the Bill.

Mr Jenkin: Bluntly, what the hon. Gentleman is averting to is a power struggle. The question is whether the House will stand up for its immunities or give them up. The Bill is an indication that we want to give them up.

Tristram Hunt: I agree with the hon. Gentleman and with the fundamental basis of his analysis, which is that the constitutional reform programme is driven by the immediate necessities of the Government in the context of this Parliament. We are making major decisions that will have wide ramifications in the functioning of the constitution of the United Kingdom, based on a political programme and timetable. That is never the best way in which to develop deep consensus thinking about the constitution.

I would finally raise a point that the Clerk of the House has also raised. As he put it in a note to the Committee in the other place,

"given that a draft Parliamentary Privileges Bill has now been announced, why deal in advance and separately with a matter affecting the proceedings of the House of Commons in legislation",

if it is not for the specific political purposes of the current Government?

Mr Shepherd: I am more and more puzzled about the Bill as we go on, but there are two propositions in this group of amendments. I support amendment 6, in the name of my hon. Friend the Member for Stone (Mr Cash), and I am grateful for the important contribution of my hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman). Indeed, I was elated at the time of the election to hear that Jesse Norman had been elected to the House. I spent six months seeking out that fantastic opera singer—I got the wrong individual, as you wil' appreciate, Ms Primarolo, and I am very grateful to have encountered my hon. Friend on the Floor of the Committee.

Jesse Norman *rose—*

Chris Bryant: He wants to sing. Sing for Britain.

Jesse Norman: No. Hon. Members will be pleased to hear that I do not propose to sing, but I am pleased to report that I have managed to overcome the quadruple handicaps of being tall, white, English and male.

Mr Shepherd: And formidable handicaps they often are.

The endeavour of my hon. Friend the Member for Stone and those who support the amendment was to provide some form of belt-and-braces approach. None of us is confident that it can work, because the aspirations and ambitions of several of our lords justices have given one an uncertainty as to where they are heading in the rewriting of the constitution. I am also mindful of the European Court of Human Rights. We have an inferior court that we call a Supreme Court and a superior court that we call a court of human rights, and on top of all that we have another court called the European Court of Justice. Somewhere in there I can see a demented Prime Minister making an application for unfair dismissal as a result of a vote to every one of those courts in turn, while we watch on, as though it were a Gilbert and Sullivan pantomime. I shall support the amendment.

Similarly, I will support amendment 23. The matter has to be determined quickly and appropriately, so I shall not waste the House's time having indicated the actions that I will take.

Mark Durkan: Like the hon. Member for Aldridge-Brownhills (Mr Shepherd), I shall speak in support of amendments 6 and 23, which are both attempts to earth the Bill against some of the dangerous shocks that could be created for the House in the future. To make some of my points, I will have to refer to what the Minister said about the previous group of amendments.

In the debate on the previous group, the Minister said that he could think of no circumstances in which a debate on a motion of no confidence would take place without the House knowing that it was a motion of no confidence, even though the Bill requires the Speaker to issue a certificate only after a period of 14 days has elapsed—it does not specify how long after. That creates a situation that we all have to consider before we even go into the danger of what will happen when the matter goes to the courts. Let us first look at the difficulties and controversies that will be created in this House.

If a motion of no confidence can be played like a wild joker, and any motion can be converted into one, then whenever there is a controversial issue or one involving Opposition or rebel tactics, the Speaker will be asked early in a debate, "Will you signal whether you would be

minded to say that this debate is certifiable? Will you declare that we are going through a potentially certifiable chain of political and constitutional events?" Of course, the Speaker might wish to say, "You are trying to draw me into a matter of controversy", because he might not be privy to what Whips are saying to Members about the significance of a particular motion.

2.45 pm

What would happen if the Speaker said that a motion was not certifiable, and the Prime Minister subsequently decided that the nature, colour and content of the debate meant that it had been a motion of no confidence in him rather than in the Government, as in the example of the 1940 debate mentioned by the hon. Member for Aldridge-Brownhills? Somebody could announce from the Dispatch Box, on either the Opposition or Government side of the House, that as far as they were concerned, there had been a motion of no confidence. Would that mean that the Speaker's ruling was somehow removed or overturned? If anybody wanted to contest in court either the issuing of a certificate or the failure to issue one, that sequence of events involving the Speaker and Front Benchers could become relevant. It could become a matter of contest and controversy being presented in court.

Even short of the matter getting to the courts, we are already potentially compromising the Speaker. He will constantly be hostage to inquiries as to whether a particular motion could be treated as a motion of no confidence, and his ruling could at any time be upstaged from the Treasury Bench.

Mr Charles Walker (Broxbourne) (Con): My children once asked me, "What does a heffalump look like?" I said, "You'll know one when you see one." Has that not been the case with confidence motions throughout history? The House has known one when it has seen one, and we are in danger of over-complicating the process in the Bill.

Mark Durkan: I have a lot of sympathy with what the hon. Gentleman says, and that was why I indicated my support for earlier amendments that would have narrowed the ambiguity and reduced the possibility of political and procedural chicanery, with which the Bill is riddled.

Chris Bryant: Will my hon. Friend point out to the hon. Member for Broxbourne (Mr Walker) that there is a picture of the heffalump in several of A. A. Milne's books?

Mark Durkan: I accept that point fully.

Mr Walker: I shall admonish my children for not being better read.

Mark Durkan: I will acknowledge these interventions no further.

To return to the matter at hand, let us be clear that the Bill's provisions are open to all sorts of contests, questions and controversies. As I have said, I believe that the Minister was wrong to say that the House will know in all circumstances when something is a vote of confidence. If he wanted to make that incontrovertibly so, he would need to provide either in Standing Orders or in the Bill for a formal indication by the Speaker that a certificate could be issued prior to the period set out in the Bill, which starts 14 days after a motion. That, in turn, would bring the Speaker into areas of political controversy and intervention. Amendment 6 is clearly aimed at ensuring that those difficulties do not make the issuing of a certificate, or possibly the failure to issue one, a matter of controversy that can be brought to the courts.

In discussing previous amendments, Members alluded to affairs currently in Oireachtas Éireann and in the Dail. Those affairs may be relevant this week, because an opposition party there has indicated that it might take to the courts the question whether, under the constitution, the agreement that the Irish Government have entered into has to be subject to a vote of the Dail. Let us not rule out circumstances in which a party here, possibly a party of Opposition, could feel that the Speaker had wrongly declined to issue a certificate, or that the Government were using all sorts of procedural chicanery to prevent certificates being issued and to reset the clock. That party might then feel obliged to take the matter to court if it felt that it faced dead ends and chicanery in Parliament. That is exactly the situation that was threatened in Dublin this week given what the Irish Labour party justice spokesman said. Let us not join the Minister in completely dismissing all such possibilities.

I do not want to move from Dublin to Northern Ireland affairs, but I have some experience of what happens in practice. I was involved in negotiating and implementing the Good Friday agreement, including as a Minister and Deputy First Minister. Ministers told this House that procedures would follow their own course and that political matters would not end up in the courts, but then I found that my election as Deputy First Minister was taken to court—when I was jointly elected with David Trimble—because all sorts of rules were bent and twisted and the clock was reset by Secretaries of State and others.

The Northern Ireland Act 1998 set a clear six-week period, but Secretaries of State discovered that if they suspended things for 24 hours, there would be a new six-week period. Whenever there is a facility to contrive a completely new situation and dispose of a statutory deadline, it is used—whenever Ministers are told that in case of emergency they can smash the glass, they do so. Completely contrary to the assurances and explanations given to the House when we debated the 1998 Act, a number of Secretaries of State found themselves doing that. In addition, Assembly Members redesignated to pass particular votes, even though they said that they would not, and so on.

In the context of the Bill, people have said that a Government would never put themselves in the embarrassing position of activating a vote of no confidence in themselves or cutting corners, ignoring rules or resetting clocks so that they can bypass dates and deadlines, but the Northern Ireland experience shows that that is not so. The exigencies of the moment, and the demands for stability and good governance, can be used as circumstantial excuses. Let us not pretend otherwise. If we are trying to provide for fixed-term Parliaments with clear, fixed and guaranteed arrangements, we must go further than the Bill does. It leaves too much power in the hands of the Prime Minister and the Executive when there has been a motion of no confidence, and in respect of their influence over the decision of whether a motion is one of no confidence or otherwise.

[Mark Durkan]

I therefore ask the Minister to acknowledge that there are shortcomings in the Bill. Some of the amendments have their own shortcomings, but they do not diminish the serious problems with the Bill. If he will not accept amendments 6 and 23, will he agree to work in another place and in the House at another time to make his own amendments, so that the Bill does not create those difficulties and controversies?

Under the Bill, the Speaker could be the subject of controversy. What if there are differences between the Speaker and Deputy Speakers on the question whether to indicate in advance that a motion is certifiable? More importantly, as the hon. Member for Harwich and North Essex (Mr Jenkin) said, I believe that such matters could find themselves before a court, not only because somebody might want to contest the fact or content of a certificate, but more importantly because people might want to contest the failure to issue a certificate or the fairly questionable proceedings in advance of it. We do not want the Speaker of the House of Commons to be caught in the same position as Scottish football referees. They have been accused of taking and changing decisions in relation to subsequent arguments and events. Let us protect the office of the Speaker and this House.

Mr Robert Buckland (South Swindon) (Con): I rise to make a brief contribution. I have listened with great interest to the debate and I await with even greater interest the Minister's response to the very well advocated position on amendment 6, with which I have great sympathy.

It seems blindingly simple to me. Clause 2(3) stops at the words, "for all purposes." The comparison with section 3 of the Parliament Act 1911 has been made, so why not include the extra words,

"and shall not be questioned in any court of law"?

The amendment proposes the use of the word "whatsoever", which was no doubt an attempt by my hon. Friend the Member for Stone (Mr Cash) to deal with the European question—that is perfectly legitimate and I understand entirely the reason for his wording—but the point is the same: if such a provision was good in 1911, why is it not good now? If anything, the balance between Parliament and the courts has deteriorated, as the hon. Member for Stoke-on-Trent Central (Tristram Hunt) eloquently outlined. The balance is now extremely fine, and it is in danger of being overturned in favour of judicial activism.

It may well be that reliance will be placed upon the residual powers of article 9 of the Bill of Rights, but as an Act of Parliament, that too is subject to judicial interpretation. Over the years, it has been interpreted in a variety of ways by the courts. Notably, it has been impliedly waived or restricted by this House. Section 13 of the Defamation Act 1996 is a good example of Parliament deciding, in effect, to allow its privilege to be qualified. I have strong views on the wisdom of that legislation—it was foolish and has led to unintended consequences, which are at the heart of this debate.

No Member of Parliament wants a diminution of its authority or power. This is an elected Chamber and we represent the people of this country. Sovereignty means just that. It is right that all hon. Members worry—even if it is sounds like lawyers' caution—about any further unintended diminution of our authority. That is why I support amendment 6. Why not change clause 2(3) to put things as far beyond doubt as possible, mirroring what legislators did in 1911, to ensure that the spectre of the judiciary questioning and second-guessing the proceedings of the House does not become a reality?

Mr Cox: I had not intended to speak, and I shall be extremely brief. Most of my remarks will be addressed to the Minister in the hope that he can provide the clarification in substance to the questions asked by my hon. Friends and Opposition Members, which I should like to reinforce.

My first question is precisely that which my hon. Friend the Member for South Swindon (Mr Buckland) just asked. Why not add the proposed words? If clause 2(3) is intended to be an instruction to the courts that a certificate shall not be challenged, on the face of it there could be no real reason, unless the Minister has thought of something that others have not thought of or been advised otherwise, why the injunction of my hon. Friend the Member for Stone (Mr Cash), which is more expressive, explicit and detailed, should not be added. Will the Minister elucidate the purpose of stopping short at the word "purposes" and not going on to be as explicit as possible?

I ask that because historically, ouster clauses in administrative law have not been conspicuously successful. The courts have not paid very much attention to interpreting their duty to examine such issues, and often even where the ouster clause has been passed. *[Interruption.]* I see from the sedentary reaction of my hon. Friend the Member for Somerton and Frome (Mr Heath)—the Deputy Leader of the House—that the reason may be that such provisions are so pointless that there is no point in going any further. If that is the reason, it would be helpful if the Government made that clear, so that Members could consider that. I have to tell him that I do not consider the provision to be pointless—I would not imagine that the Government would do anything that was pointless in drafting the legislation.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath) *indicated assent.*

Mr Cox: I see my hon. Friend nodding sagely. That provision therefore must have a function. If that function can be increased in its effect and efficacy by adding the proposed words, why not incorporate them?

3 pm

That brings me to my second point. If it is necessary under clause 3(3) to try to instruct the courts that the certificate should not be justiciable—that it should not be considered—that must imply, as does my hon. Friend's reaction from the Front Bench, that the Government are aware that the courts may well, even in remote and possibly extreme circumstances, become ensnared in the examination of these issues. One can see considerable skill and intelligence at work in the drafting of the Bill. One sees that it is intended not to be tempting to the courts. If we codify too much in statute, the danger is that the courts would be drawn into examining whether the preconditions for a motion of confidence had been met, whether the definitions were properly complied with and so on. What the legislation seems to be doing—if

this is the intention, it is a laudable one—is enacting, in broad outline, so as to make it clear to the courts, that the critical questions of definition and discretion are still for the House and the proper authorities of the House. It is a statute that is intended to preserve a certain flexibility and suppleness so that the courts are not drawn into examining such issues, whereas they would be if we laid down too precise a definition of the concepts that they involve.

I appreciate that, and I see the point of it. It no doubt forms part of the Government's confidence that the courts will not ordinarily enter into that territory. However, the mere presence of that ouster clause suggests that the Government are aware that in some circumstances they might. As the Government have indicated—albeit via a sedentary reaction—they are plainly aware that ouster clauses do not always work. That suggests to me that the Government are content—or at least have made a strategic decision—that in certain circumstances the judicial authorities may come to interpret and consider this legislation. I accept that that is highly unlikely in the ordinary case, given the amount of discretion, the amount of territory left to the Speaker and the ill-defined nature of many of the concepts. It would be a bold court indeed that entered into a discussion of such issues and allowed them to become the subject of a judicial review.

Mr Jenkin: We all know that we are talking about heated and potentially controversial circumstances. If there was a raging controversy about alleged malpractice in our proceedings or surrounding them, and if public opinion was strongly supportive of one view or the other, there would be intense pressure on a court to intervene. Does my hon. and learned Friend not think it would be difficult for a court not to intervene under such circumstances?

Mr Cox: No, I do not think that. Intense pressure is precisely what an independent judiciary is set up to resist. One would expect and hope for that from a senior judge. We are fortunate in the judiciary we have in this country. I hope that hon. Members will reflect carefully on some of the language that we have used in this debate today. It is not the case that the judiciary have an appetite to assume the powers of this House. Indeed, in my experience the preponderance in the judiciary is to be careful and scrupulous in the way they observe the parameters of judicial power.

The problem is—if I can extend this parenthesis as briefly as I may—that we have invited the judiciary into the territory time after time, since the European Communities Act 1972, which fundamentally altered the constitutional arrangements in this country. It essentially meant that there was a higher constitutional court, namely the European Court of Justice—we already have it—which presupposes and believes it is capable of trumping domestic law. That ultimately led to a decision in a case called Factortame, in which an Act of Parliament was set aside by the House of Lords, on the basis of the seniority—or superiority—of the European Union's law. Then we had the Human Rights Act 1998, which preserves—or attempts to preserve—a careful balance. Nevertheless, it invites the courts into consideration of the policies and legislative objectives—almost on the basis of their merits—that this House has always considered to be its prerogative and to fall within its exclusive sphere. The courts are careful, but they themselves acknowledge that the Human Rights Act has invited them further into that territory.

Chris Bryant: The hon. and learned Gentleman is making an important contribution, and he is right about the reluctance of the courts, for the most part, to intervene and tread on our toes, as it were. However, the truth is that those elements of parliamentary privilege that attach because of not wishing to interfere with proceedings in Parliament get very fuzzy at the edges. Indeed, there are areas where others want the courts to express a view. My anxiety is not that there would be a challenge when the Speaker had issued a certificate, but that a challenge would be far more likely when the Speaker had decided not to do so.

Mr Cox: I have heard that observation made, and I hope that the Minister will be able to address it. I do not feel quite as concerned as hon. Members who have expressed their views on that point, and I will say why. A court would very soon see through an argument that went: "The Speaker has not issued a certificate in circumstances where we"—the party bringing the application to the court—"think he should have done." The reason is that if a certificate is conclusive for all purposes, so must the absence of a certificate be. I do not believe for a moment that a court would see the matter any other way when the Speaker had chosen not to make a certificate. Otherwise, we would have to have a provision in the Bill saying that if the Speaker chooses not to certify, that should not be challenged either. It must be implied that if a Speaker made a deliberate and conscious choice not to certify, the absence of the certificate—that choice—must equally be conclusive, and I think that most courts would see it that way. One could argue that that should be explicit in the Bill, but for my purposes, I would not have thought a court would find impressive an argument that said that a Speaker who decided not to certify could be judicially reviewed, whereas if he had certified—let us say, in the negative—he could not be. That would be pointless.

Mr George Howarth (Knowsley) (Lab): The issuing or non-issuing of a certificate is a slightly false comparison. The issuing of a certificate would result in action—providing that it was not challenged successfully in a court—whereas the non-issuing of a certificate would, I presume, simply preserve the status quo.

Mr Cox: What is the point of a certificate? It is not going to be challenged in a court, because the Government and this House will instruct the courts not to look at it. The point of the certificate is merely to express in writing the Speaker's view that something had been a motion of confidence. If he does not issue a certificate, it is plainly the case that he has reached the view that it is not a motion of confidence. However, it is highly unlikely that the mere fact that a Speaker had produced that view but not committed it to a piece of paper would induce the courts to enter that territory and issue what used to be called a writ of mandamus—it is now called a mandatory order—to force him to do so. I find that improbable and implausible. I hope that the Minister will draw some comfort from that, but he should not draw complete comfort from it, because the mere fact

[Mr Cox]

that we are considering whether the courts would or would not be able to enter this territory will induce litigants, lobby groups and political groups to bring these very applications before the courts to test out the territory. It will not be long before the courts start to consider the extent to which the Bill allows them in, and the extent to which it does not. That is where the hon. Gentleman of whose constituency I am shamefully ignorant—

Chris Bryant: Stoke-on-Trent.

Mr Cox: The hon. Member for Stoke-on-Trent Central (Tristram Hunt) quoted the recent judgment of Lord Phillips, and that is important because Lord Phillips made it plain that the courts will reserve the power to define the parameters of parliamentary prerogative and privilege. If the Bill remains enacted in the law of this country for a long period, which I rather doubt, there will inevitably be a point at which the courts are invited in and at which they will start to examine the extent to which they can and cannot become involved. Their view might not entirely coincide with that of the Government. For example, the question of whether a certificate is valid might arise. The Bill states:

"A certificate under this section is conclusive for all purposes."

A court might well feel entitled to consider whether, as a matter of law, it is in fact a certificate. In the past, that is the way in which ouster clauses have been outflanked.

I am asking the Minister to consider this matter, and I am asking from the heart. I have noticed that, from time to time, he has found many of the interventions by Members not altogether to his taste. Perhaps the smile of the Cheshire cat is always seated on his face during these debates simply because of his serene command of his brief and his sublime confidence in the merits of this legislation. However, I ask him to address the consciences of many of the Members on his own side who have deep and sincere concerns. My hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) is among them, and when he rises to speak on matters of the constitution, he must always be listened to with respect. He may not be a lawyer but, by Jove, his instincts on the constitution are proud and honoured by a long tradition in this House. I pay tribute to him for standing up with such integrity and for such a long time for the traditional view of the constitution in this House. It is not a bad thing to stand up for tradition. It is not wrong to honour the way in which our forefathers constructed the constitution, the wisdom of it and the value that it has conveyed down the ages to the inhabitants of this country.

Will the Minister address this matter? I hope that I have expressed myself modestly by saying that I do not endorse or adopt many of the more exaggerated flights of fantasy that have occasionally been bandied about the Floor of the House. However, it surely cannot be denied that there is some risk and some legitimate cause for concern, when this matter seems to prey on the minds and the consciences of so many Members of this House who are motivated by entirely sincere reasons, rather than merely by the need to hear the sound of their own voice. I ask the Minister to address those concerns with the sincerity with which they have been expressed.

Mr Harper: I am grateful for those kind words from my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox).

When Mr Hoyle was in the Chair last week, he made it clear that he did not intend to have a stand part debate on this clause as we will have touched on all parts of it when debating the amendments. Before I move on to considering the amendments, it is worth putting into context the parts of the clause about which Members are concerned.

I think I am right in saying that the concerns expressed about privilege and about whether the courts should intervene have almost exclusively related to clause 2(2), which deals with motions of confidence. Interestingly, the Clerk of the House, in his evidence and in conversations with me, was not concerned about subsection (2), given that it uses a perfectly well-precedented certification procedure. His concern—I think I explain it accurately—was with subsection (1), which covers the certification of an early general election, rather than with the certification procedure in principle. His concern was with the nature of the procedure that had to take place before the Speaker certified. In other words, not only would the House have had to pass a motion on a Division, but a particular number of Members would have had to vote.

3.15 pm

Members expressed concern about motions of no confidence and the extent to which courts would want to interfere in them, but the Clerk of the House was exclusively concerned about clause 2(1), which deals with the House voting on a motion for an early general election, because of the two-thirds majority.

Mr Jenkin: At the risk of repeating what I have already read out from the Speaker's memorandum, I want to ensure that we are not speaking at cross-purposes. In paragraph 16 of the Committee's report, the Clerk makes it very clear, in discussing clause 2(2), that

"The provisions of this subsection make the Speaker's consideration of confidence motions and the House's practices justiciable questions for determination by the ordinary courts."

I do not think that the Clerk could have been clearer: it is subsection (2) that he is concerned about.

Mr Harper: I had a conversation with the Clerk about the certification, with the majority being specified. The Government decided to place the provisions on the early general election in statute rather than relying on Standing Orders because, as I stated in the memorandum I placed in the Library on 13 September, we cannot achieve the policy objective by relying on Standing Orders, which can be changed by a simple majority—

Mr Jenkin: That is not true.

Mr Harper: Let me just finish this point, then I will take an intervention from my hon. Friend.

Standing Orders can be changed by a simple majority. The Government's view was that, if that was the case, the power to dissolve Parliament early would effectively be left with the Prime Minister.

Mr Jenkin: I beg to suggest that, if the Minister had listened carefully to what I said earlier, he would have heard me reading from a letter I had received from

Mr Robert Rogers, who made it absolutely clear that it is possible to entrench a Standing Order of this House with its own super-majority. I am astonished that the Government do not understand that, and that the whole basis of this Bill seems to rest once more on the denial of advice given by the Clerks of the House.

Mr Harper: My hon. Friend cited in the letter from Robert Rogers a reference to existing Standing Orders, which require a particular majority for an event to take place. I think he mentioned the requirement for 100 Members to vote for a closure motion. There is no precedent for a Standing Order, passed by a simple majority, to entrench itself and require that it cannot be changed, other than by a vote of this House on a different majority. The Government know of no precedent for that, and no Member has given an example of one. If a Standing Order provided that an early general election could be held only after a vote with the specified majority, and if that Standing Order could be changed by a simple majority vote in the House, it would be open to the governing party, at the behest of the Prime Minister, to change the Standing Order and to trigger an early election based on the whim of the Executive. That is exactly what we are trying to remove under the Bill. The Government believe that if the policy objective is to be achieved, the procedure must be specified in statute.

Mr Shepherd: If that is so—and I accept it as such—why does it not apply to the statute itself?

Mr Harper: I think we have touched on that before. Once the Bill becomes an Act of Parliament, it cannot be changed purely by a majority vote in the House of Commons. The decision would have to be made by Parliament, which would also engage the other place, in which the Government do not have a majority. Even after—*[Interruption.]* I anticipated that reaction. Even after the appointment of the new list of working peers, the governing parties together will have only 40% of the peers in the upper House; 60% will be Labour peers, Cross Benchers or Lords Spiritual. The fact that this will be an Act of Parliament makes it impossible for a majority vote of a governing party to bring about an early general election, which is our policy objective.

Chris Bryant: The Minister is right in saying that the main difference is that the matter would have to be dealt with in the second Chamber. As I understand it, however, the coalition agreement states clearly that the Government's aspiration is to create enough peers to meet the proportions formed by each of the parties in the general election. That would provide a majority of 56%—quite apart from the fact that, as far as I can see, virtually every remaining Liberal Democrat Member in the country will be a member of the Second Chamber.

Mr Harper: I will not dwell on this issue at length, Mr Evans, because if I did so you would rule me out of order, but the coalition agreement does not say that. It says that we want to make the upper House more representative of the result in the general election, not exactly in line with it. The hon. Gentleman simply is not right.

The hon. Member for Stoke-on-Trent Central (Tristram Hunt) quoted from a judgment. I will not be drawn into the specifics of the Chaytor case—although the Supreme Court has given its judgment, there are ongoing criminal trials—but the flaw in the hon. Gentleman's argument lies in the fact that the case concerns the administration of the expenses scheme. The House of Commons has never asserted exclusive cognisance of the expenses scheme. It has never said that the scheme, its administration and the matters that flow from it are parliamentary proceedings, which is why that is not a good example. Moreover, the Supreme Court's judgment recognises the exclusive right of each House of Parliament to manage its own affairs without interference from the other, or from outside Parliament.

My hon. Friend the Member for Harwich and North Essex (Mr Jenkin) quoted the views of the Clerk of the House. If the Government were alone in their view and the Clerk's views were shared by everyone else, my hon. Friend would have a stronger case. The Political and Constitutional Reform Committee and the Lords Constitution Committee have taken a great deal of evidence, and the weight of independent expert evidence has supported the Government's view. For example, Professor Robert Blackburn of King's college London said—and I think that this is in line with the comments of my hon. and learned Friend the Member for Torridge and West Devon—

> "In my view, the government's Fixed-Term Parliaments Bill has been technically well-drafted by the Cabinet Office's parliamentary counsel, particularly in avoiding judicial review of its provisions on early elections by way of Speaker's certificates".

The hon. Member for Nottingham North (Mr Allen), the Chairman of the Political and Constitutional Reform Committee, said:

> "In the very limited time that we had to look at this matter, the Clerk was the only person to raise this question, and the academics who have been referred to—Professor Hazell, Professor Blackburn and others—completely disagreed with the view put forward by the Clerk."—[*Official Report*, 13 September 2010; Vol. 515, c. 632-3.]

Tristram Hunt: The point was that we did not have enough time to hear other voices that might have agreed with the Clerk of the House, owing to our having to rush our consideration of the Bill and to the speed with which the Government are pushing it through.

Mr Harper: That was also the experience of the Lords Constitution Committee—and, in fact, we have not been rushing the consideration of this Bill. We published it in July, Second Reading was in September, and this is the third day of the Committee stage, in December. We are hardly rushing forward at an enormously swift pace. Months have elapsed. I feel sure that if hundreds of constitutional lawyers and academics agreed with the Clerk and disagreed with the Government, we would have heard from them.

Mr Andrew Turner (Isle of Wight) (Con): Does my hon. Friend understand that the Committee had to rush through its work on this Bill and the Parliamentary Voting System and Constituencies Bill at the same time?

Mr Harper: I am prepared to accept that consideration of the Parliamentary Voting System and Constituencies Bill has been proceeding faster than consideration of this Bill, but I cannot accept that this Bill is being considered at a great pace. It was published five months ago, we have reached only the third day of the Committee stage, and the Report stage is still to come. I believe that

[Mr Harper]

we have been proceeding at a sensible pace. Indeed, today's proceedings were added when the Government realised that Members wished to engage in the debate at greater length.

Chris Bryant: The Minister seems to suggest that all the evidence apart from that of the Clerk of the House falls into the other camp. The Committee listened to the various witnesses and reached a rather different conclusion—that the purpose of the Bill needed to be achieved without the courts being invited to question aspects of the House's own procedures or the actions of the Speaker—and urged us to move in a rather different direction from the one advocated by the Government.

Mr Harper: The Committee was quite right. I agree that we need to ensure that the courts do not question those matters. In a moment I will deal with the amendments and the Government's reason for believing that the language we have used about the well-precedented use of Speaker's certificates prevents the courts from questioning the Act.

My hon. Friend the Member for Harwich and North Essex observed that judges were not more interventionist. I believe there is evidence that there has been more judicial activism in judicial reviews of Executive decisions, but as far as I am aware there is no evidence that the courts have become more interventionist in challenging parliamentary proceedings. Executive decisions and decisions of Parliament are quite different from each other. Although the Supreme Court has a new name, it has no greater powers than the judicial Committee of the House of Lords that it replaced. I do not think that my hon. Friend's concerns are well judged.

My hon. Friend also referred to the European Court of Justice and the European Court of Human Rights. The European Court of Justice can deal with matters related to European Union law; nothing in the Bill would engage it. Similarly, the functions of the Speaker under the Bill do not engage any of the rights conferred by the European Court of Human Rights. I think it was only last week that the Joint Committee on Human Rights agreed with that when it said that the Bill's provisions did not need to be brought to the attention of either House on human rights grounds.

My hon. Friend the Member for Hereford and South Herefordshire (Jesse Norman)—who is not in the Chamber, as he has had to fulfil a long-standing and important engagement to attend a meeting elsewhere in the House—expressed concern about the European Court of Human Rights. In fact, it has shown the utmost respect for parliamentary privilege. In a 2003 case, A. *v.* United Kingdom, it was specifically held that article 9 of the Bill of Rights did not violate the convention by preventing an applicant from taking defamation proceedings against an MP for words said in parliamentary proceedings. The European Court of Human Rights strongly supported the contention that courts would not become involved in these matters.

I agree with my hon. and learned Friend the Member for Torridge and West Devon, who said that owing to the very nature of these events—the fact that they would be politically highly charged—judges would not be keen to rush in and engage in questions that are rightly to be resolved by political rather than legal means. I have heard no evidence, apart from assertion, that courts would do anything different.

Mark Durkan: I gave the example from 2001 when, on the third attempt, David Trimble and I were jointly elected as First and Deputy First Minister by the Northern Ireland Assembly. That was taken to the courts. Yes, the courts did not touch on issues connected with the Assembly's standing orders, but they did entertain the suggestion that the Secretary of State had failed to use the power and duty, given to him under law, to set a date for an election if no First and Deputy First Minister have been elected after six weeks. The Secretary of State did not do so, claiming that because he had notice of the potential to elect us, which had been issued by the end day of the six-week period, he could interpret the deadline differently. The court did not throw out the case and the judges—competent, serious, senior judges—divided on the issue. In the light of that precedent, the assurance of the hon. and learned Member for Torridge and West Devon (Mr Cox) does not stand.

3.30 pm

Mr Harper: The hon. Gentleman makes my point for me. He accurately sets out the fact that at issue was not a proceeding in Parliament—a decision of this House—but an executive decision by the Secretary of State. As I have said, there is lots of evidence that courts will challenge Ministers' decisions, and one can argue about whether they will be right to do so; Ministers would probably argue they are not, but everyone else would probably argue that they are. The case the hon. Gentleman raises involved an executive decision; it was not a decision of this House or a proceeding in Parliament, and it is not protected under article 9.

Mark Durkan: But what we are talking about is related to the closest equivalent in the Northern Ireland Act 1998 of the certificate powers being given to the Secretary of State. Sections 31 and 32 of the 1998 Act provide for the early Dissolution of the Assembly and early elections. They are the exact same powers, except that in Northern Ireland the Secretary of State has the powers of an "over-Speaker", rather than their being vested in the Presiding Officer. They are the equivalent powers, however.

Mr Harper: No, I think there is a rather crucial difference. The powers in that Act are given to a Minister—they are not proceedings in Parliament. That leads me nicely on to amendment 6—

Chris Bryant *rose*—

Mr Harper: But the hon. Gentleman is keen to get in.

Chris Bryant: Sorry, but the Minister is using the phrase "proceedings in Parliament" as though it were a self-evidently clear concept, but a great deal of legislation and case law has analysed various different aspects of it and it is nowhere near as clear as he might presume.

Mr Harper: No, and that leads to where I was going, which was to turn to amendment 6 and to explain why we are using the language of the device of a Speaker's

certificate. There are precedents that have stood the test of time, which is why Professor Blackburn expressed the feeling in the quotation I read that parliamentary counsel had drafted the Bill well.

My hon. Friend the Member for Stone (Mr Cash) tabled amendment 6 and my hon. Friend the Member for Harwich and North Essex spoke to it. I can see why they would want to use the wording in the Parliament Act 1911, but the Bill says the Speaker's certificate is "conclusive for all purposes" and the Government do not think inserting the words

"shall not be…questioned in any court of law"

adds anything. The 1911 wording has, indeed, stood the test of time, but it used the language of the early 20th century. Later legislation used different wording. The House of Lords Act 1999 used exactly the wording we have used, which provides that certificates of the Clerk of the Parliaments on questions of whether an hereditary peer is one of the excepted 92 hereditary peers are conclusive. The provisions have worked well in practice, whereas wording consistent with the Parliament Act 1911 could bring into question whether protections in more recent Acts were meant to be an inferior sort of protection. We think that would be undesirable.

Provided certificates are conclusive for all purposes, it is perfectly adequate to show that it is for the Speaker to decide whether the conditions for an early election have been satisfied, not for the courts or the Executive. The effect and the intention of the drafting are perfectly clear. Although the additional words in amendment 6 might appear attractive, they would not add anything to the protection in the Bill. There is no evidence or reason to think the courts would want to trespass on what would effectively be highly politicised issues or that they would not continue to regard matters relating to the internal operation of the House as "proceedings in Parliament".

I should also like to deal with the wording in amendment 6 that seeks to prevent a Speaker's certificate issued under clause 2 from being "presented" to a court. I can see why my hon. Friend the Member for Stone is trying to do that, but it seems to me that that takes a step backwards. Being able to present the certificate to the court is the simplest and easiest way of informing the court that the conditions for an early election exist and the Speaker has made the decision. That stops the court being tempted to dwell on proceedings in Parliament; it has a clear piece of paper that explains that the Speaker has made that determination and the court need go no further.

Mr Cox: Let us suppose that the Speaker issued a certificate that omitted one of the matters that the statute required him to certify. Would it not be open to a petitioner to argue in court that there had been a failure to comply with the conditions that made a certificate valid and that the court was entitled to examine whether it was a certificate before obeying the ouster that prevents it from challenging the certificate?

Mr Harper: My hon. and learned Friend makes a point that relates to the use of certificates, but what he describes would be perfectly true of the certificate that the Speaker issues on money Bills and the certification that he issues under the Parliament Act. Those are well precedented and have stood the test of time. The courts have been content to hold that the fact that the certificate has been issued by the Speaker is indeed conclusive for all purposes and they have not sought to challenge it.

Mr Cox: We are dealing with a fundamentally different sphere here. Whether or not a Bill is a money Bill is the kind of decision that is suitable only for a legislative Assembly, but on this matter the courts would regard themselves as guarding the right to an election, which is a fundamental right of the population of this country. If Parliament had prescribed that an election should take place and a certificate was defective because it did not stipulate one of the requisite terms, the courts may regard that as an area into which they ought to go to safeguard the right to an election.

Mr Harper: If a certificate was issued by the Speaker, we would be having an election, not stopping one taking place. I do not think that my hon. and learned Friend's concern that the courts would hold that the population were being deprived of an election would apply. The language used in the Bill was chosen for exactly the reasons I have suggested. We have used well-precedented, tried and tested language; it has stood the test of time. It is perfectly true to say that people can make groundless applications to courts on all sorts of things, but courts quickly dismiss them and prevent them from proceeding further. We are confident that these proposals are robust and will not have the effect that hon. Members suggest.

In the few minutes remaining, I wish to discuss amendment 23, because the hon. Member for Rhondda (Chris Bryant) suggested that he wanted to ask you, Mr Evans, whether he could press it to a Division. The amendment proposes a 24-hour time limit for the issuing of the Speaker's certificate. I can superficially see why that might be attractive, but it sets some conditions that might introduce elements casting doubt on the validity of the certificate if it were delayed, even if it were by only a few minutes, or if it were issued close to the time limit. Thus, the amendment would enable people to question the certificate. We should therefore rely on the standard practice, whereby the Speaker's certificate is the conclusive provision.

Given what I have said, I hope that hon. Members will not seek to press their amendments to a Division and that we are able to proceed with the debate.

Mr Jenkin: I am most grateful, Mr Evans, for the opportunity to reply to the debate.

I regret that I feel compelled to press this matter to a vote, but I feel that the Minister's response has been wholly unconvincing. We are faced with adamant and clear advice from the Clerk of the House that the Minister has chosen to dismiss as irrelevant. Let me remind the Committee what the Clerk said:

"The provisions of this subsection make the Speaker's consideration of confidence motions and the House's practices justiciable questions for determination by the ordinary courts."

That includes

"what constitutes a confidence motion, the selection of amendments to such Motions and the consequences of their being carried".

He goes on to say:

"As these would become justiciable questions, the courts could be drawn into matters of acute political controversy."

The Minister has not responded with anything substantive to defeat that advice.

[Mr Jenkin]

Moreover, the Minister has rested his justification for the Bill on the assertion that it would not be possible to write these provisions into the Standing Orders, which would be automatically immune. Let me read from the Clerk's memorandum again. He said that

"a Standing Order regulating the matters in the Bill could provide for its staying in effect unless repealed by a specified majority",

meaning that it could be entrenched,

"for example by...equal to or greater than two thirds of the number of seats in the House. Not only is the principle of specifying majorities already written into the Standing Orders of the House, but in the past the House has also required a relative majority for reaching decision."

My hon. Friend the Minister also dismissed the comments that I read from Mr Robert Rogers, the Clerk Assistant and Director General, who made it clear that we can not only write into our Standing Orders provisions requiring super-majorities, but entrench a—*[Interruption.]* I am rather distressed that the Minister is not even listening to what I am saying. We can entrench a Standing Order with its own super-majority so that it could be removed only by a super-majority, if that is what the House chose to do. The whole basis of the Government's advice remains contested by the Clerks. The basis of the Bill—that this has to be done through statute—also remains contested by the Clerks.

I doubt that we will win the vote in the Committee this afternoon, but the Minister has failed to give a full response or to acknowledge any of the points that have been made. His subsection refers to a Speaker's "certificate under this section", which is very unspecific. At least the amendment states

"Any certificate of the Speaker of the House of Commons given under this section shall be conclusive for all purposes".

That word "any" and the reference to the Speaker make it clear that whatever the Speaker issues is uncontested, rather than leave it open to the courts to determine whether the certificate presented by the Speaker complies with the legislation. I am afraid that the Minister has not satisfied me and I do not think that he has satisfied a great many of my colleagues on the Government Benches or in the official Opposition. I want to press the amendment to a vote.

Question put, That the amendment be made.

The Committee proceeded to a Division.

Tessa Munt (Wells) (LD): On a point of order, Mr Evans. At lunchtime today I was sitting in the Terrace cafeteria and, for the second time in a fortnight, I was unable to hear the Division bells at all. There was nothing to indicate that a vote was taking place. Can you facilitate Members' ability to vote if they are sitting in that area, perhaps by asking the Badge Messengers to inform them that a vote is taking place while the problem is sorted out?

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Thank you for that point of order. I must say that I have taken a number of points of order in a similar vein since taking the Chair on 8 June, and this is clearly worrying for Members as well as irritating for the Chair. I will instruct that the matter be fully investigated, not just in the area that the hon. Lady has spoken about, but throughout the parliamentary estate. Clearly, it could affect the outcome of a vote. In the short term, I ask that, every time there is a Division today, a messenger goes particularly to that part of the House to ensure that Members are made aware that a Division is taking place.

The Committee having divided: Ayes 231, Noes 295.

Division No. 138] [3.42 pm

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davidson, Mr Ian
Davies, Geraint
Dobson, rh Frank
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz

Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Main, Mrs Anne
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Rees-Mogg, Jacob
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Mr Charles
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Hamilton and Mr Bernard Jenkin

NOES

Adams, Nigel
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hermon, Lady
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lilley, rh Mr Peter

Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Jeremy Wright and Mr Shailesh Vara

Question accordingly negatived.

More than three hours having elapsed since the commencement of proceedings, the proceedings were interrupted (Programme Orders, 13 September and 24 November).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendment proposed: 23, in clause 2, page 2, line 17, at end insert—

'(4A) The Speaker shall issue a certificate under subsection (1) or (2) within 24 hours of the relevant conditions being met under subsection (1) or (2).'.—*(Chris Bryant.)*

Question put, That the amendment be made.

The Committee divided: Ayes 229, Noes 302.

Division No. 139] **[3.56 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobson, rh Frank
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hosie, Stewart
Howarth, rh Mr George

Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Shepherd, Mr Richard
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mark Hendrick and Mr David Hamilton

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Knight, rh Mr Greg
Kwarteng, Kwasi

Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCarney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and Mr Shailesh Vara

Question accordingly negatived.

Amendment proposed: 25, in page 2, line 24, at end add—

'(6A) In this section a "motion of no confidence in Her Majesty's Government" shall be—

(a) in the terms "This House has no confidence in Her Majesty's Government" or

(b) in the terms "This House has no confidence in the Prime Minister".'.—*(Chris Bryant.)*

Question put, That the amendment be made.

The Committee divided: Ayes 229, Noes 298.

Division No. 140] **[4.08 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobson, rh Frank
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom

Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Hamilton and Mark Hendrick

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Johnson, Gareth
Johnson, Joseph

Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Miss Chloe Smith and Jeremy Wright

Question accordingly negatived.

Question put (single Question on successive provisions of the Bill), That clauses 2 to 4 stand part of the Bill.

The Committee divided: Ayes 306, Noes 218.

Division No. 141] **[4.21 pm**

AYES

Adams, Nigel
Aldous, Peter
Alexander, rh Danny
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, Mr Don
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris

Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Hallon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hermon, Lady
Hinds, Damian
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, Mr James
Paisley, Ian
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, Mr Andrew
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Miss Chloe Smith and Jeremy Wright

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobson, rh Frank
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim

Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hollobone, Mr Philip
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Mr David Hamilton and Mark Hendrick

Question accordingly agreed to.

Clauses 2 to 4 ordered to stand part of the Bill.

Schedule

CONSEQUENTIAL AMENDMENTS ETC

Amendments made: Government amendment 14, page 4, line 9, at end insert—

'Parliament Act 1911 (c. 13)

3A In the Parliament Act 1911 omit section 7.'.

Government amendment 15, page 4, line 16, at end insert—

'7A In section 119(2) after "mourning" insert "(but, in relation to a parliamentary general election, excluding any day to which rule 2 of the parliamentary elections rules does not apply by virtue of rule 2(2A))".'.

Government amendment 16, page 5, line 9, at end insert—

'(3A) Omit paragraph (2)(ii) and the "and" before it.'.

Government amendment 17, page 5, line 18, at end insert—

'But, in relation to any proceedings commenced afresh by reason of a candidate's death, this paragraph is to be ignored.".'.

Government amendment 18, page 5, line 18, at end insert—

'9A In rule 6A(4) in Schedule 1 after "rule 2(1)" insert "(subject to rule 2(2A))".'.

Government amendment 19, page 7, line 10, at end insert—

'15A In section 22(2A) after "1983" insert "(subject to rule 2(2A))".'.—*(Mr Harper.)*

Schedule, as amended, agreed to.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill to be considered tomorrow

Mr Deputy Speaker (Mr Nigel Evans): I now have to announce the results of the Division deferred from a previous day. In the Division on the Question relating to the Scottish Parliament, the Ayes were 317 and the Noes were 212, so the Ayes have it.

[The Division list is published at the end of today's debates.]

National Policy Statements

[Relevant documents: The Third Report from the Energy and Climate Change Committee, Session 2009-10, on The proposals for national policy statements on energy, HC 231, and the Government's response thereto, and the Minutes of Evidence taken before the Energy and Climate Change Committee on 30 November, HC 648-i.]

4.35 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): I beg to move,

That this House has considered the matter of the draft Energy National Policy Statements.

The revised draft national policy statements for energy set out national policy, which must be considered in determining whether consent should be granted to infrastructure projects that are examined by the Infrastructure Planning Commission. As right hon. and hon. Members will be aware, the previous Administration consulted on a suite of draft energy national policy statements between November 2009 and February 2010. Alongside that consultation, Parliament undertook scrutiny of the draft national policy statements. Scrutiny in this House was undertaken by the Select Committee on Energy and Climate Change, which held a number of oral hearings, requested written evidence and published a report of its findings, together with 30 recommendations and conclusions. I would like to take this opportunity to thank the then members of the Committee for the important work that they undertook and the thoroughness with which they approached it.

This afternoon's debate is part of Parliament's scrutiny of the draft energy national policy statements, so I will talk about the purpose of national policy statements and the changes that we have made to them, the parliamentary scrutiny process required for national policy statements, and the coalition Government's proposals for planning reform. The statements are complicated, lengthy documents that cover all aspects of energy policy, so I will talk at some length in introducing them. I hope that the House will bear with me. I will also give way to any interventions from hon. Members wishing to raise concerns. However, before going into the detail of the national policy statements, I would like to take a moment to set out the background to the coalition Government's energy policy and the need to build new major energy infrastructure, as it is against that background that such massive new investment is required.

Our energy policy is based on four pillars: energy saving, more renewables, new nuclear, and clean coal and gas. That includes the green deal, which we believe will help to bring existing buildings up to 21st-century efficiency standards. We are taking steps to reduce demand for gas through both energy efficiency measures to help improve our energy security, and demand-side response, through interruptable contracts for large users that will ensure that domestic users are prioritised in an emergency. A reduction in demand will also help to improve our energy security. Under the green deal, home owners and businesses will be able to get energy efficiency improvements without having to pay cash in advance. The private sector will provide the up-front funding, receiving its money back from the energy savings on household bills. That will help to save energy, reduce carbon and protect energy consumers from price rises through greater energy savings.

John Robertson (Glasgow North West) (Lab): I commend the hon. Gentleman on the work that he did on the Energy and Climate Change Committee, and on which he congratulated everyone involved—they say that self-praise is no praise, but there we go. My great worry, and that of many of my colleagues on the Opposition Benches, is that the poor will always suffer. While everybody else is looking for ways of saving money, they cannot do so. What will his Government do to help people who perhaps cannot afford to do what is necessary to make the savings that he is talking about?

Charles Hendry: The hon. Gentleman has often raised this issue in the Select Committee in the past, and it should be at the heart of our thinking. At this time of year, when people are struggling to pay their bills, how they will pay them in the future is a matter of great concern to us.

The nature of the green deal is that it does not depend on the creditworthiness of the individual householder. A charge will be set against the future energy bills of their property, with the condition that the total cost of the energy efficiency measures should be such that it can be repaid through that extra charge over a period of 20 or 25 years. So the people living in those properties will get the immediate full benefit in terms of warmth and reduced energy consumption, but the charge will be brought back over time. We think that this policy has been devised in a way that has at its heart the interests of those who are fuel poor and have difficulty in paying their bills. The hon. Gentleman is absolutely right to say that, in all these issues, there are massive costs for consumers. Our job as a Government is to find ways of trying to drive down the number of units that consumers will be using. The green deal is part of that process, as is smart metering.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): May I issue an appeal to the Minister and his colleagues that, as the green deal mechanism is being finalised and formulated, it should not be targeted at only cavity wall and loft insulation? There are many properties in my constituency and elsewhere for which that would be no use at all, and some of those properties are among the least fuel efficient.

Charles Hendry: The hon. Gentleman brings to the House a huge amount of expertise on these issues and I very much welcome his contribution. He has touched on an issue that is at the core of our thinking on how to take the green deal forward. He is absolutely right to say that, while a significant number of houses would be helped if it were to address issues of cavity wall and loft insulation, there are many that do not have cavity walls and many that need additional measures. We are looking at the role that boilers can play in regard to energy efficiency, because that area has not been given sufficient attention in the past. The key will be to find a range of measures that are relevant to each individual property, the savings from which will justify the investment over time. I can give the hon. Gentleman an absolute assurance that the type of houses that he is talking about in his constituency, in mine, and in many others across the country will be very much included as the green deal is developed.

Andrew Percy (Brigg and Goole) (Con): In my constituency, many properties are not on the gas network, and there are no plans to expand the network into many of the small villages there. Will those properties be able to access alternative sources of heating through the green deal, perhaps through air source heat pumps and so on?

Charles Hendry: I am grateful to my hon. Friend for the work that he has done to highlight issues such as these. We said in the coalition agreement that prioritising off-grid customers would be an important part of what we are seeking to do. However, the help for them will not come through the measures in the green deal. His constituents will of course be eligible for support for energy efficiency measures through the green deal, but the renewable heat incentive will give them support for other mechanisms such as air source heat pumps, ground source heat pumps and solar thermal installations. There will be a different funding mechanism for that, and we have confirmed that £860 million will be made available for the renewable heat incentive. We will set out the precise details of that in the next few weeks, and it will target precisely the people that he is most concerned about in that respect.

Albert Owen (Ynys Môn) (Lab): The Minister has been very effective in campaigning for the extension of the gas network throughout the United Kingdom, but what he has just said will be of little comfort to people in many areas who simply want a choice. At present, they have oil or liquefied petroleum gas, but they want mains gas, which is often located only a few hundred yards away from their village or hamlet. Do the Government understand their frustration? Given that the market is failing them, would it be possible for incentives to be given in this regard, and for the regulator to ensure that those gas connections can take place?

Charles Hendry: The hon. Gentleman raises an important point. Certainly, encouraging people to install renewable heat sources, particularly in off-grid properties, is part of the solution. He is absolutely right to say, however, that for many people, the convenience of being on the grid will be their primary concern. It must be extremely frustrating to live in a house close to the grid that is unable to benefit from it. Ofgem is working to ensure that the grid is extended, but that is obviously a gradual process. We are considering different ways of dealing with the problem. Grid development is mentioned in the planning policy papers, but we are introducing other measures such as the renewable heat incentive, to help people who currently have no alternative to heating oil or liquefied petroleum gas. I hope that it can be said that we are dealing with the issue comprehensively.

Sarah Newton (Truro and Falmouth) (Con): Do not local councils also have an important role to play? Cornwall council, for example, is undertaking a project involving feed-in tariffs. It will work with the third sector in using the money that it earns from installing solar panels in the county to help those in the greatest fuel poverty—who, as other Members have pointed out, are often off grid—not only through energy efficiency schemes but by providing heat from more appropriate sources, such as ground-source heat.

Charles Hendry: My hon. Friend is right to draw that to the House's attention. As a result of one of the changes that we have made, local authorities are now allowed to sell electricity directly to the grid. Rather than merely being able to host new facilities, they can now become involved in these processes as partners. They can sell the electricity that is generated, and benefit from the feed-in tariffs or other financial packages that are available. I hope that, in difficult times, councils throughout the country will see such measures as an important potential income-earner and a way of encouraging their communities to move in a low-carbon direction. That is a critical part of Government policy.

We have said that there will be special help for the most vulnerable. The new energy company obligation will provide additional funds for those who are most in need and for homes that are hard to treat, which may need additional support. Our policy also involves the electricity market reform programme, which is a wholesale redesign of our electricity market. There is no doubt that that process, which will begin in a few weeks, is the most fundamental reform of the market for 30 years. It involves a new way of encouraging people to invest in electricity generation, and I cannot over-emphasise the importance that we attach to it. The power sector needs to lead the way when it comes to cutting carbon.

Charlie Elphicke (Dover) (Con): Many of my least well-off and most vulnerable constituents fear that in five years' time the lights may go out. What action can the Government take to deal with the backlog of infrastructure repairs?

Charles Hendry: I am keen to reassure my hon. Friend. A couple of years ago, the outlook was a cause for great concern. The recession reduced demand by 5% or 6%, and, although it has grown again, it has not reached its previous level. What appeared to be a serious pinch point now seems to have been pushed further out, but that does not give grounds for complacency. We all know that cold winters and, in particular, cold still days place immense demand on the system, and we need to take action to deal with that.

As much as £200 billion of new investment may be required in our electricity infrastructure. We have to rebuild it. It would have been much better for the country if more of that work had been done before 6 May, and it would have been much better had there not been a five-year moratorium on new nuclear and a delay of some years in new installations. I applaud the conversion of the last Administration, which began to put us back on track, but a number of years were lost.

John Woodcock (Barrow and Furness) (Lab/Co-op) *rose—*

Huw Irranca-Davies (Ogmore) (Lab) *rose—*

Charles Hendry: I will give way shortly, but I hope I shall be forgiven if I do not do so immediately, as I am in full flight.

We need to establish a structure that will give people an incentive to invest in new nuclear, clean coal, coal with carbon capture, renewables—in regard to which we have great potential—and new gas plant, along with gas storage. We are alive to all the challenges, and we are moving forward on all fronts.

John Woodcock: The Government talk a great deal about blank pages. Have they whitewashed their time in opposition, when one party was dead set against nuclear and the other wanted it to be a last resort? If they have converted, that is fine, but let us at least have a bit of candour about the process through which the Minister has got to where he is now.

Charles Hendry: The hon. Gentleman is new to the House and he might therefore be unaware of the extent to which we worked very constructively with the previous Secretary of State, the now noble Lord Hutton, and others to try to ensure that we took this agenda forward. As the hon. Gentleman has been a special adviser however, he will be aware that nuclear was taken off the agenda for five years. There was a Government White Paper that said, in effect, "We do not see a need for new nuclear in this country." There were no qualifications to that statement; it was just stated that there was no requirement, full stop. For five years, that delayed the development of new nuclear.

I completely applaud the work of the previous Secretary of State, which has contributed to our country becoming one of the most exciting in the world for new nuclear development. The reality is that we were constructively involved in that process, but for five years nuclear was taken off the agenda.

Martin Horwood (Cheltenham) (LD): To be candid, the Minister may know that, as per the coalition agreement, many Liberal Democrat Members are still absolutely opposed to nuclear power. Will he confirm that at no point in the last 30 years has it been impossible for private investment for nuclear to come forward, and if Government policy was not preventing that, why does he think no private investment did come forward in the last 30 years?

Charles Hendry: The Government are seeking to address a comprehensive range of issues to do with new nuclear. There have been planning issues; for example, the Sizewell B project took five or six years just to go through the planning stage. Also, regulatory justification is a legal requirement, and that process had to be gone through. Last week, a measure on that passed through this House with a massive majority of over 500 to a couple of dozen, so there has been a significant step forward in that respect. The long-term cost of waste management also needs to be known, and that figure is now being made clear and given to the industry. Other barriers to investment are also now being addressed. Therefore, although it is technically right that there was nothing to stop people investing in new nuclear, it is also absolutely clear that the circumstances did not encourage people to come forward with new proposals.

John Robertson: I should declare an interest: I am chair of the all-party group on nuclear energy. I think the Minister is being slightly disingenuous towards the Opposition. It was Labour who led the fight to put nuclear back on to the table. It was not that it had been taken off the table; it was just that nobody really wanted to touch it, including Ministers who were Members of this House at the time. Therefore, in a spirit of cross-party coalition, will the Minister accept that we did our bit in getting nuclear back on to the agenda, and does he agree that now is the time to make sure that these new power stations are built for the benefit of this country?

Charles Hendry: I am keen that this coalition should get larger and grander every day, so I am delighted to welcome the hon. Gentleman to it. I agree with what he said. I have already twice given credit to the previous Secretary of State. I am very happy to pay tribute to him and the previous Prime Minister for the role they played in putting nuclear back on the agenda.

In response to the question of my hon. Friend the Member for Dover (Charlie Elphicke), I think it is true that the challenges we face today are in part a result of not enough construction having been carried out early enough. If there had been more construction in our energy infrastructure over recent years, we would not now be faced with the mountain of needing £200 billion of new investment.

Angela Smith (Penistone and Stocksbridge) (Lab): I am glad to hear that the future of the nuclear industry in the UK will be a good one. Will there, however, be a good future for the UK supply chain for the nuclear industry, particularly in terms of the construction of these stations? What will the Government do to support the supply chain?

Charles Hendry: We are very keen indeed to see the supply chain benefit. We talk to the companies that are looking to invest in this area, and they are very keen to use British know-how, skills and businesses. The Westinghouse approach is to buy where it builds. Therefore, together with Arriva, it has been setting up workshops around the country to encourage people to show the contributions and skills they can bring. From our point of view, this is a critical part of the project. We want them to partner British companies and, as part of that process, we believe there is an opportunity for them to sell that package internationally as well. That is absolutely at the heart of what we want.

Angela Smith: Why, therefore, do the Government refuse to support Forgemasters in its bid to play a strategic part in the development of the supply chain for the future of our power stations?

Charles Hendry: The hon. Lady is very familiar with the argument. We have said that we looked at the issues as we came into government and we identified those that were based on affordability, not on their importance. We believe that Sheffield Forgemasters makes an extremely important contribution in this area. The Government's position has been clear and what we now do not understand is the Opposition's position.

We had a vote on regulatory justification last week, which approved two specific reactor types, the Westinghouse and the Areva designs. In that vote the shadow Business Secretary, the shadow Chancellor and the shadow Energy Secretary voted against the approval of those designs. How can the shadow Business Secretary make a case for Sheffield Forgemasters when he has voted against the exact design that it is supposed to be supporting? There is a complete hole in the Opposition's policy in this area. I hope that this shadow Minister will rise to his feet to give us clarity on those issues, but when three members of the shadow Cabinet vote against the heart of the nuclear policy, the Opposition's policy is in tatters.

Huw Irranca-Davies: The hon. Gentleman would not expect me to agree that our position is in tatters. As I made clear to him in the debate on the justification orders in Committee, when they went through with our support, we would very much welcome an opportunity for the Minister, alongside his colleagues, to go back to Sheffield Forgemasters and argue the case for making sure that it can be part of the supply chain. He is continually reluctant to do so. I suspect that that is not necessarily because of his reluctance, but because his colleagues are reluctant to argue the case.

Charles Hendry: I had hoped that the hon. Gentleman, for whom I have the highest regard, was going to explain what his shadow Cabinet colleagues had done in that vote. During that debate two weeks ago, we had agreed fundamentally on the need for regulatory justification and he was speaking officially on behalf of the Opposition, yet when it came to the deferred Division in this House a week ago today three of the most senior members of the shadow Cabinet voted against those reactor designs being approved. If they had won that debate, the whole nuclear programme in this country would have been brought to a standstill. If the Opposition are to have credibility in this area, we need to understand why the shadow Chancellor, the shadow Business Secretary, who is the one who will lead on issues relating to Sheffield Forgemasters, and the shadow Education Secretary, who is one of the most senior members of the Labour party, chose to try to stop nuclear power in its tracks.

Mr Stewart Jackson (Peterborough) (Con): Is the stark contrast between those on the two sides of the House not shown in the fact that the financing arrangements for Sheffield Forgemasters were cobbled together in the dying weeks of the Labour Government whereas just five months into a Conservative-led coalition Government we have a comprehensive, coherent national infrastructure plan for the next five to 10 years? That is the difference between government and opportunism.

Charles Hendry: My hon. Friend makes a very important point. In the months just before the election an enormous number of commitments were made, and one of the first things that we had to do as an incoming Government was to identify which of them were affordable. We went through that process extremely thoroughly—I think we have been robust about it—and Sheffield Forgemasters entirely understands the decisions that we have made. The Department for Business, Innovation and Skills leads on supporting businesses in these areas and my Department feeds closely into that process. We want Sheffield Forgemasters, which is an outstanding example of a British manufacturing company, to have a key role to play in the future. However, on the basis that I have outlined, we did not believe it was appropriate for the loan to go ahead.

John Woodcock: I hope the Minister will accept that it is important to correct what the hon. Member for Peterborough (Mr Jackson) said if the Government are to retain credibility on this issue. Does the Minister accept that the issue of this loan was being negotiated for more than a year, including at the time when Lord Hutton was Business Secretary, and that it was very carefully considered by that Department over that period?

Charles Hendry: I am grateful to the hon. Gentleman for that intervention. As a new Government coming in, we had to look at the financial commitments that we were inheriting. We had to decide which were bad decisions—the Sheffield Forgemasters loan absolutely did not come into that category—and which were the decisions we viewed as simply not affordable. Of course we would love to be able to shower money on a range of good projects around the country, but there is no scope for doing so. As we know from the former Chief Secretary to the Treasury, there was no money left. That was what the outgoing Government told us.

Several hon. Members *rose*—

Charles Hendry: I am keen to get back to some of the areas where there is consent and general agreement, but I will of course give way to the Opposition spokesman.

Huw Irranca-Davies: I thank the hon. Gentleman for giving way. Will he acknowledge that this issue is pertinent to our debate on our national infrastructure and the supply chain? It is my clear understanding, unless the Minister can disabuse me of this, that only one other global supplier makes the piece that Sheffield Forgemasters was going to make. If the company had been given that repayable loan, which would have been repaid to the Government in short order, it would have led the global supply chain—not just for the UK but for export—in the reactors that we passed the justification orders for last week. It is a clear own goal. I ask the Minister to go back to his BIS and Treasury colleagues to see whether there is still an opportunity to bring the measure forward. It is not too late.

Charles Hendry: The hole in the argument is that the hon. Gentleman makes that case on behalf of the Opposition when the shadow Business Secretary, shadow Chancellor and shadow Education Secretary voted against the nuclear programme. As long as the shadow Cabinet has anti-nuclear sentiments at its highest level, any suggestion that the Opposition want a nuclear renaissance is fundamentally questionable.

Albert Owen *rose*—

Charles Hendry: I am keen to move on to other issues, but as the hon. Gentleman has such a strong constituency interest in new nuclear I shall give way.

Albert Owen: The hon. Gentleman and I were both very solid on nuclear power in the last Parliament when the then Leader of the Opposition thought that it should be a last resort. I am pleased that the new Secretary of State and the Prime Minister have made their journey and are in the same position as the Minister and I. The point about the supply chain is important. I know—the shadow spokesman is right—that if this work does not go ahead in Sheffield, Korea is the next port of call. That is not in the British interest. Will the Minister consider that as we go through these new policies and talk about infrastructure, so that we can keep British jobs and British business in the supply chain to help the nuclear industry?

Charles Hendry: I have said several times that our decision is no reflection on the quality of the workmanship at Sheffield Forgemasters. The Government came in,

identified that £1 in every £4 of Government spending was borrowed, believed that that position was unsustainable and had to make difficult, tough choices about the right way forward.

Several hon. Members *rose—*

Charles Hendry: I would give way to my hon. Friend the Member for Dover, but he was the one who made me depart from my extremely consensual speech into this area of great contention. I am keen that we should get on to the issues of planning policy that are at the heart of our debate.

Dan Byles (North Warwickshire) (Con): To come back to the future of nuclear power in the UK and the comments made by my hon. Friend the Member for Dover (Charlie Elphicke) about keeping the lights on, Germany is now considering extending the lives of its reactors by up to 12 years. I am a great supporter of the idea that we need to replace our nuclear reactors with new nuclear reactors, but is there any scope in the Department's plan to extend the lives of our current reactors to try to bridge that gap?

Charles Hendry: My hon. Friend raises an important issue. The situation in Germany is very different from the situation here. The plan in Germany had been to have an artificially early closure of the nuclear fleet, and Chancellor Merkel's Government have allowed them to operate for their full lives. They have reversed a decision that would have brought about early closure. The approach that we have always taken in the United Kingdom is that plants should operate for their safe life. If there is an independent assessment that they can operate for longer than had been planned, that should be considered. The case here is based on safety and security issues and some recent life extensions have been given, which we welcome. At the end of the day the extensions are a bonus rather than a building block in energy policy, but my hon. Friend makes an important point.

I want to get back to some of the key areas of the debate. Our concern is that the existing market framework will not deliver the scale of investment needed in renewables, nuclear and carbon capture and storage, all of which have significant up-front costs. Our electricity market reform programme will examine the reforms necessary to restructure the electricity market to decarbonise the power sector by the 2030s while maintaining security of supply and affordable prices. We must move quickly to give investors certainty about our reforms because of the long lead-times in developing new generation capacity. Our reform of the planning system for major infrastructure, including for major energy infrastructure, also has an important role, as does the consultation on the revised draft energy national policy statements.

Reducing demand for electricity wherever possible is important in meeting our energy objectives. Our 2050 pathways analysis shows that total UK energy demand from all sources will need to fall significantly by 2050. As I have mentioned, the green deal will save energy in the home and non-domestic buildings. We will also roll out smart meters to help to reduce demand. However, those savings will be offset by increases in other areas, such as the increased use of electricity in industrial and domestic heating and in transport. Our 2050 pathways analysis suggests that demand for electricity may even double by 2050, as we plug into the grid to power our cars and heat our homes.

Decarbonising surface transport is essential to meet our target to reduce greenhouse gas emissions by 80% by 2050, as we are required to do by law. We expect electrification to play a major role in achieving that. While electric vehicles can be powered up overnight by fluctuating electricity generation, trains, for example, will need more base load generation. We have already announced £900 million of investment in the electrification of train lines from London to Didcot, Newbury and Oxford, and for lines serving Liverpool, Manchester, Preston and Blackpool. In the new year, we will consult on the next steps for building a national high-speed rail network, which will free up capacity to allow a shift of freight from road to rail and provide an attractive low-carbon option for travelling between our major cities.

Some 80% of journeys in the UK are currently made by car, and cars will continue to play an essential part in our national transport infrastructure. The Government announced in the spending review investment of more than £400 million in measures to promote the uptake of ultra-low-carbon vehicle technologies. That includes the plug-in car grant, which will be available from January 2011 and which will provide a grant of 25% of the vehicle price up to £5,000. We are also continuing the plugged-in places programme, which supports the development of electric vehicle recharging infrastructure in strategic locations. As part of the coalition agreement, we have also undertaken to mandate a national network of vehicle recharging facilities.

We want to see more decentralised and community energy systems, such as microgeneration, make a contribution to our targets on reducing carbon emissions and increasing energy security. However, we do not believe that decentralised and community energy systems are likely to lead to the significant replacement of large-scale energy infrastructure, which is why there is an urgent need for new major energy infrastructure.

Neil Carmichael (Stroud) (Con): I have flicked through the plans, and I cannot see any reference to hydro-power in the context of micro-schemes. Do the Government intend to support hydro-power and particularly small-scale projects?

Charles Hendry: The Government are committed to taking us forward, and I welcome my hon. Friend's support in that respect. Hydro has an important contribution to make. The Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Bexhill and Battle (Gregory Barker), who has responsibility for climate change, set out how we can hope to achieve that ambition in his recent speech on the subject. Most issues that we are discussing today relate to major applications of more than 50 MW. Most hydro schemes will fall below that threshold and will therefore be subject to local planning decisions.

The section of the energy policy statement that deals with renewable energy does not cover major hydro schemes, such as major schemes involving tidal flow, because at this stage there is no evidence of a serious application for such a scheme of more than 50 MW. If that happens, we will need either to review the national

[Charles Hendry]

policy statement or to introduce one specifically for marine technologies. In this country, we have a network of rivers, which are a potential source for electricity generation that we are keen to see harnessed.

Ian Swales (Redcar) (LD): The Minister has discussed the urgent need for new renewable electricity generation capacity. If that is the case, why is the banding review of renewables not reporting until August 2012 with implementation in March 2013? Will he consider speeding up that process, so that we can get the capital that is waiting for, for example, biomass power stations released and get such projects under way?

Charles Hendry: One of the issues for investors in this area is certainty. They want to be able to plan for the long term and to know what rate of support they will get under whatever mechanism is in place. A date of 2013 enables people to plan a transition to whatever the banded level will be after that. I understand the need for early clarity, and if there are ways we can provide that, we shall seek to do so. We seek to work constructively because we understand that the alternative can be a hiatus in investment, with investment dropping off for a period of years in advance of the threshold and the level of support changing. It is important, in terms of national interest, to have a continuous flow of investment.

I turn now to the issues that have been covered in the energy national policy statements. Perhaps it would be helpful if I briefly set out the purpose of the documents before us today. The revised draft energy national policy statements consist of a suite of six national policy statements and a number of associated documents. They are not intended to set out new energy policy. They are consistent with and explain current energy policy and how it relates to the planning consent process. Similarly, we are not using national policy statements to change the standard for consenting projects. They neither raise nor lower the bar on how a major energy infrastructure project is examined and consented. They are there to explain how such decisions should be made. They set out the consenting policies that need to be considered in the examination of major energy infrastructure and the decision on whether to grant or decline consent. At the same time, they will ensure that new major energy infrastructure projects respect the principles of sustainable development. They will allow not only the Infrastructure Planning Commission but developers and local residents to see the basis on which applications must be considered.

There is an overarching energy national policy statement that sets out the Government's policy on energy and energy infrastructure development; an energy need statement on the need for new nationally significant energy infrastructure projects; the assessment principles that need to be taken into account in examining and deciding on proposals for energy infrastructure development; and generic impacts for all energy infrastructure, and how they should be assessed and mitigated to ensure that the right balance is reached between securing our energy needs and protecting the environment.

There are also five technology-specific energy national policy statements, covering fossil fuel electricity generation; renewable energy infrastructure, which deals with onshore wind, offshore wind and energy from biomass and/or waste; gas supply infrastructure and gas and oil pipelines; electricity networks infrastructure; and nuclear power generation.

David Morris (Morecambe and Lunesdale) (Con): We know that we are legally required to reduce carbon emissions by about 80% in the next 40 years. Can we fulfil that requirement, given that of the 59 GW of new capacity required in the next 25 years, 33 GW of which is needed from renewables, we have only 2 GW currently under construction? The other 26 GW that is needed will, presumably, come from low-carbon nuclear. The Government have made enormous progress in this area—I acknowledge that—but would there be more scope to look at nuclear if we, for whatever reason, did not hit those targets?

Charles Hendry: I pay tribute to the work that my hon. Friend has done as an ardent supporter of the Heysham plant in his constituency and of the case for a new plant in that area. The role for nuclear has been set out clearly in the national policy statements. We believe that it has a fundamental role, but we also have to be realistic about what is achievable. We have identified sites that could be used for 16 GW of new nuclear power, but that is as much as the energy companies believe can be constructed over the next 15 years, which is the time scale that the national policy statements cover. That is not necessarily the end of the ambition, but it looks like what is achievable and realisable over those 15 years. There is no doubt about the Government's ambition in terms of new nuclear.

Martin Horwood: On the subject of what is realistic, and referring back to what the Minister was saying about sustainability, is he aware that the Chartered Institution of Water and Environmental Management has said that current known reserves of economically extractable uranium may last only between 40 and 85 years? Given that other economies are also investing in new nuclear, we may be looking at the lower end of that scale rather than the higher, so new nuclear cannot be regarded as sustainable in any real sense.

Charles Hendry: I have certainly heard that point before. The OECD has a fundamentally different view of the availability of uranium stocks, and there is work to be done in plutonium reprocessing, which would provide an additional source of fuel. Furthermore, work is being done on the development of thorium reactors, which do not give rise to many of the concerns that people have about uranium reactors. A great deal of progress can be made and, at the end of the day, the decision is for investors to make. If they do not believe that there is sufficient uranium to power their plants for their lifetime, they will not make that investment. They will base their decision on the facts available to them and they will need to be reassured about the availability of stocks.

The overarching national policy statement contains information on the impacts that need to be considered for all energy infrastructure, while the technology-specific NPSs contain additional information on the impacts that are specific to each technology. They take into account the appraisals of sustainability. We have revised the AOSs for the non-nuclear NPSs substantially, which is why we are a carrying out a fresh consultation.

We believe that the revised appraisals put readers in a much better position to evaluate the revised draft NPSs. The revised AOSs give a clear picture of the likely significant impacts at the strategic level of consenting energy infrastructure projects in accordance with the NPSs, by reference to a wide range of relevant environmental, social and economic factors. They also explain more clearly why we have not chosen a number of alternative policies that others proposed, but which would not have been as good in meeting our overall objectives of maintaining safe, secure and affordable energy supplies while moving to a low carbon economy and reducing carbon emissions by 80% by 2050.

We have made significant changes to the statement of need in the overarching national policy statement. It now includes research that was not available for the first draft, including more detailed analysis of scenarios to achieve an 80% reduction in carbon emissions by 2050. We have also included more detail on what is required for an economic feasibility assessment to ensure that fossil fuel generating stations are carbon capture-ready.

Neil Carmichael: The NPS gives great support to those of us who support a green investment bank because it provides a framework for investment, which is necessary to the platform of support that investors might require. How important does the Minister think the green investment bank will be in delivering some of the outcomes?

Charles Hendry: The Government have committed £1 billion to the green investment bank, with additional funding to follow in due course. I am extremely pleased that the Environmental Audit Committee is to examine how the bank might work. Infrastructure banks in other countries—for example, the one in Holland, which was funded with €2 billion of initial capital, but brought in €100 billion of additional finance—can play a critical role, particularly in getting business through the so-called valley of death.

Returning to the technology-specific NPSs, we have revised the fossil fuels policy statement—document No. 2—to clarify the requirements for carbon capture readiness in terms of technical and economic feasibility in line with the request made by the Energy and Climate Change Committee.

Ian Lavery (Wansbeck) (Lab): On carbon capture and storage, will new applications for gas-fired power stations be treated the same as applications for new coal-fired power stations in that they will have to be carbon capture-ready before they can be accepted at the planning stage?

Charles Hendry: A new coal plant will have to be equipped with some degree of carbon capture and storage capability—we have made it clear that there will be no role for unabated coal in the future—whereas a new gas plant will have to be carbon capture-ready, because of the much lower levels of emissions associated with modern gas plants. Emissions from the most efficient coal plant are perhaps 750 grams per kWh, whereas the figure for the most sophisticated gas plant is perhaps 350 grams per kWh. Given the significant difference in emission levels, we are looking at requiring CCS to be part of the programme. That is why we have allocated £1 billion, which is more than any Government anywhere in the world have allocated to a single plant. We are keen to take forward the development, but we have also said that as part of the subsequent pilot projects 2 to 4, we are keen to see whether that can be applied to gas.

Ian Lavery: The Minister said that £1 billion had been invested in the carbon capture and storage programme. There were four initial demonstration plants, the first of which is to be a coal-fired demonstration plant. The contract will be awarded, I believe, in December 2011. Will that not take most of the £1 billion? If so, is he confident that moneys will be available to secure the phase 2, 3 and 4 carbon capture and storage projects?

Charles Hendry: The hon. Gentleman makes an important point. The £1 billion is specifically and only for that project. As I said, that is more than any Government anywhere in the world have allocated to a single project. The additional plants will be funded either by the levy introduced in the Energy Act 2010, or from general taxation. We are looking at the best way forward in terms of deliverability and the Treasury is examining the issue. The funding of projects 2 to 4 is separate from the funding of project 1, which has the £1 billion available to it.

The revised renewables NPS has taken particular account of comments on biomass sustainability for generating stations using biomass as fuel. We have also revised the text regarding noise from onshore wind farms, which is different from general industrial noise, so a specific assessment methodology is used to take that into account.

The method of assessing noise from a wind farm is described in "The Assessment and Rating of Noise from Wind Farms", known as ETSU-R-97. The report recommends noise limits that seek to protect the amenity of those living close to wind farms. The recommended noise levels are determined by a combination of absolute noise limits and noise limits relative to the existing background noise levels around the site at different wind speeds.

Policy document 4 relates to gas supply and oil pipelines. We have clarified that the gas supply infrastructure and gas and oil pipelines NPS covers only oil and natural gas pipelines and not CO_2 pipelines, which will be an important matter in relation to carbon capture and storage development. We have also added a new section describing the impacts on gas emissions due to the flaring or venting of gas.

Policy paper 5 relates to electricity networks. We have tried to make sure that Government policy on undergrounding and the need to treat each application case by case is expressed more clearly. I welcome the decision by the Institute of Engineering and Technology to make an authoritative investigation of the costs of undergrounding, particularly in relation to the issues that the hon. Member for Wells (Tessa Munt) has raised, so that we can have a clear fact-based assessment of the different costs involved.

Tessa Munt (Wells) (LD) *rose*—

Charles Hendry: I thought that might encourage the hon. Lady.

Tessa Munt: Thank you. Will that investigation examine the cost of under-sea infrastructure as well? I understand that the project will look at networks not just underground, but under-sea. Is that correct?

Charles Hendry: That is my understanding of the report. We are all keen to have a fact-based scientific assessment of the relative costs. I know that in the hon. Lady's constituency and many others there has been great concern and a need to know the costs of different ways of dealing with the issues, so I hope the report will examine the under-sea aspects as well.

Tessa Munt *rose—*

Dr Thérèse Coffey (Suffolk Coastal) (Con) *rose—*

Charles Hendry: I will give way to my hon. Friend, who has some issues in Suffolk.

Dr Coffey: Thank you. We do indeed have issues in East Anglia, and in Suffolk in particular. We have an enormous number of offshore wind farms, yet the green impact of pylons across our countryside is hardly palatable. I welcome the changes being made, and hope that we will have more detailed calculations of the costs and the impact of the benefits.

Charles Hendry: I shall give way again to the hon. Member for Wells and deal with both issues together.

Tessa Munt: How can I and my constituents be assured that the study is wholly independent and is not in any way informed or directed by National Grid?

Charles Hendry: I would hope that the nature of the Institute of Engineering and Technology, and its track record for independence and fact-based assessment, would be sufficient to assure everyone that a thorough approach will be taken. There is no doubt in any of our minds that if anybody tried to steer its conclusions one way or the other it would publicly require them to go away. I am absolutely satisfied that the process will be independent and robust, but in due course the institute will publish the full report so that it can be peer-reviewed.

Dr Alan Whitehead (Southampton, Test) (Lab): Before the hon. Gentleman leaves EN-5, will he reflect on the question that he raised previously about investment in new infrastructure through the electricity markets as they stood, and the extent to which that investment stayed in existing equipment to shore up the electricity market? In the new circumstances, where investment in infrastructure will increasingly be required before the replacement of plant, will EN-5 reflect that change fully? If not, could the energy market reforms that he will undertake shortly inform a revision of EN-5 to take those new circumstances into account?

Charles Hendry: We have to see the national policy statements as part of the process. They are an integral part of an improved planning process, but they are not the full package. Electricity market reform will also be a key element in incentivising people to invest. Let me give an example of how things are changing. I was recently with Ofgem launching the second round of offshore grid transmission infrastructure bids. More than 100 different organisations, most of which were new players in this area, were keen to take part in that process, which was started by the previous Administration. A number of new organisations—new financial institutions—want to invest in our energy infrastructure, which is extremely encouraging, but to see the full package of these measures it will be necessary to ensure that they see the planning changes and the funding mechanisms that will drive it forward.

Andrew Percy *rose—*

Charlie Elphicke *rose—*

Charles Hendry: I shall take a couple of interventions and then seek to conclude my remarks.

Andrew Percy: While we are on the subject of new players coming into our energy industry, I invite the Minister to visit north Lincolnshire and the site of the South Humber Gateway project, where we hope to cluster a number of offshore wind farm manufacturers with the potential to create 5,000 jobs initially, possibly rising to 20,000. It will be incredibly important to our region, so I invite the Minister to join me and my hon. Friend the Member for Cleethorpes (Martin Vickers) on a visit some time soon.

Charles Hendry: I know that both my hon. Friends have done sterling work in pushing the case for the South Humber Gateway. I would be delighted to see the planned work to get a clearer understanding of the ambition. It is typical of many of the ambitions of people who see a fantastic new opportunity emerging in the energy sector, and we are keen to encourage that. I imagine that my hon. Friend the Member for Dover (Charlie Elphicke) will make a similar plea for a visit.

Charlie Elphicke: I do not wish to trouble the Minister to come down to east Kent, but for the benefit of the House will he say how many power stations were brought into operation during the last Parliament? The only one that we in Kent can recall is the dirty Kingsnorth power station. On the need for more funding and the need to build infrastructure and green infrastructure, I recall that during the last Parliament not many power stations were brought on line.

Charles Hendry: A number of gas powered plants were brought on stream. The last nuclear power station was Sizewell in the 1990s. There has not been a new clean coal plant yet because people need to know how the carbon abatement technology will move forward. Gas has been the fuel of choice: 60% of the consented plant—12 out of 20 GW—is gas. What people want to build remains to be seen, but there is significant interest. We now need the policies to drive this forward.

I want rapidly to conclude my remarks with a few additional points—

Christopher Pincher (Tamworth) (Con) *rose—*

Charles Hendry: An enormous number of colleagues are keen to speak in the debate, but with your forbearance, Mr. Deputy Speaker, I will allow my hon. Friend to intervene as he is a member of the Select Committee.

Christopher Pincher: I am grateful to my hon. Friend for being so generous. May I take him back to his earlier remarks about energy security and how the national policy statements will feed into our energy security? Energy security not only relates to the Department of Energy and Climate Change, but has an impact on the Ministry of Defence, the Foreign and Commonwealth Office, the Department for International Development and the Department for Transport. How do the threads in our national policy statements interweave to ensure that across all those Departments we have a holistic approach to energy security?

Charles Hendry: One thing that has struck and impressed me most as an incoming Minister has been the extent to which Departments work constructively together, with information shared appropriately and buy-in from every Department on policy proposals. My Department clearly leads on the energy market and the Treasury is critically involved in setting a carbon price, which we believe is part of the process, but there is a holistic approach and investors are looking at that to make sure that there is joined-up government.

I want to close, so perhaps I can respond in my winding-up speech to any additional points about the exact way in which we will take the process forward. Having spoken for the best part of an hour, I feel that many hon. Members on both sides of the House will wish to have a chance to contribute fully to the debate.

In conclusion, our reforms of the major infrastructure planning process will ensure much greater democratic accountability. Ministers will be responsible for decisions to consent to or refuse major infrastructure development, and there will be a binding vote in the House on whether to approve national policy statements. Our debate today is about whether the House has considered the matter of the draft energy national policy statements, and I look forward to listening to it and having the chance to hear the expertise that so many hon. Members have to offer.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. As the Minister says, a number of Members will be trying to catch my eye during this debate. Therefore, I am introducing a seven-minute limit on speeches.

5.31 pm

Huw Irranca-Davies (Ogmore) (Lab): Thank you, Mr Deputy Speaker. I have indicated to you through the usual channels that, if it is your wish, I am more than happy to forgo any concluding remarks so that more people have time to make their contributions.

I welcome this general debate about national policy statements, which is timely and necessary. I thank the Energy and Climate Change Committee for its continuing effort and expertise and, of course, the Committee on Climate Change for its recommendations and analysis. We share much of the Minister's analysis of the challenges, but that is not surprising because, as I say with some humility, my predecessors laid the groundwork that he is continuing. We are glad to see him and his colleagues taking up the baton with such relish, because they do so at a critical juncture, when delay and dithering would be terminal to investor certainty, UK energy security and our low-carbon future. There is a real need to get on with that work.

On that thought, the shadow Front-Bench team and I—and I am sure the whole House—send our best wishes to the Secretary of State and his team on their negotiations in Cancun. In government, Labour adopted the world's first legally binding framework to cut emissions, by 80% by 2050, signalling our clear intent and leadership on tackling climate change. My right hon. Friend the Member for Doncaster North (Edward Miliband) played a difficult hand with some great skill and not insignificant personal commitment at Copenhagen when he was Secretary of State, and although the job has not become any easier, we hope that the new Secretary of State will keep the momentum going.

Let us reprise where we are, as laid out in the documents before us. One quarter of the UK's generating capacity will close by 2018, and as much as 30% will need to be replaced by 2020. Without prompt action we face an electricity generation gap in the next 10 to 15 years as our nuclear and coal-powered stations are retired. World energy demand is rising and often highly politicised; as North sea reserves decline, we are increasingly reliant on imported oil and gas; and, as the Minister says, electricity demand is forecast to double over the next 40 years. That will require rapid decarbonisation of the electricity sector, diversification of the energy sector with a decreasing reliance on fossil fuels and unabated combustion, and an increasing reliance on renewables, low-carbon energy and decentralised energy.

We will also require development of carbon capture and storage and renewables technology for the UK and for international markets. We will need to create sufficient capacity to meet electricity generation needs at all times, and we will need to put the necessary supply chains in place. I will not go over the issue of Sheffield Forgemasters again, as it has been well aired already. We will require the development of smart grid and electricity networks to meet the needs of a reconfigured, smart and diverse electricity infrastructure and, of course, investment in gas infrastructure.

Ian Lavery: The doubling of the electricity recovery rate over the next 40 years is vital. As was mentioned, the first phase of the four demonstration plants will cost up to £1 billion. Does my hon. Friend agree that it is essential that funding is found from somewhere to fund phases 2, 3 and 4 if we are to meet our electricity requirements over that period?

Huw Irranca-Davies: Yes, I agree entirely. It was wonderful news that after a slight delay to do with the coalition agreement, getting things in order, and some wrangling with the Treasury, we had the announcement that £1 billion would be available—the commitment that the Labour Government had made to the first phase of CCS on a commercial scale. However, it is equally essential that we have phases 2, 3 and 4. I am sure that the Minister is committed to continuing that wrangling with the Treasury to ensure that we find the mechanisms that will allow that to happen, and promptly. We need it for coal, but we also need it for gas. I welcome the in-principle announcements that have been made about phases 2, 3 and 4, but what we are waiting for, as with so much else, is the detail to make it certain.

Angie Bray (Ealing Central and Acton) (Con): Given that the previous Government had a complete lack of policy on energy, threatening constituents such as mine with the possibility of their lights being switched off for long periods in the next 10 years or so, I find it a bit rich that the hon. Gentleman is lecturing us somewhat, although I appreciate the consensus on some issues. Does he at least agree that the national policy statements brought forward by this coalition Government are a great step forward in attracting the kind of investment that we need to ensure that the lights are left on?

Huw Irranca-Davies: Well, we can debate who can claim credit for the NPSs. Of course, they were instigated and developed under the last Labour Government, but I give credit where it is due; I will come to that in a moment in looking at some of the detail. We agree that there has been some improvement in the intervening six months—it will be nine months by the time they are eventually signed off—but they were in darn good shape before, and they were ready to go. The hon. Lady pushed me on trying to claim the credit entirely, but these are the Labour Government's documents. They have been refined and improved, but they were already in place.

Charlie Elphicke: Will the hon. Gentleman give way?

Huw Irranca-Davies: Let me make a tiny bit of progress.

This short debate is informed by the ongoing consultation—or perhaps I should say, for the benefit of the hon. Member for Ealing Central and Acton (Angie Bray), reconsultation—on the national policy statements. The coalition Government have taken this opportunity to pause, to reflect, and to revise them. In a way, that is a good thing, because it has allowed more time for deliberation, but—let us be frank—it will also have cost a vital eight or nine months by the time that the final NPSs are produced in January. That is a luxury that has inevitably led to a delay in our national efforts to secure a long-term energy security future.

Nicky Morgan (Loughborough) (Con): Is it not the case, though, that the report by the Energy and Climate Change Committee criticised the previous Government for leaving it quite so long to get to the stage where the NPSs were being considered? It published its report in March 2010, when the Government had had from 2005 onwards to put them in place.

Huw Irranca-Davies: Indeed. The hon. Lady will have noticed that between March 2010 and now an election got in the way. The national policy statements were in place, and this Government, had they so chosen, could have picked them up and run with them, or alternatively, as happened when we came into office in 1997 and had our policies ready to go having worked them up with the civil service, they could have got on with it straight away. We will be nine months delayed by the time we have these documents before the House for full consideration.

Dr Thérèse Coffey *rose*—

Huw Irranca-Davies: I will make a little progress.

Although I welcome this debate, we now have only one hour and 20 minutes to debate issues that, as I am sure the Minister will agree, are critical to our national strategic energy needs and to the balance between those needs and democratic accountability at national and local levels. Unlike the over-long process of reconsultation, this short debate demonstrates all speed, but limited accountability. It will therefore be impossible to do justice to the six core energy documents and the accompanying materials. This must be seen instead as a useful staging post to a much longer debate in this place in Government time.

I will begin with some points on the reform of planning in relation to NPSs, in response to the Minister's opening remarks.

Martin Horwood: Before we leave the question of Labour's legacy, can the hon. Gentleman put a figure on the unfunded liabilities for cleaning up the last generation of nuclear power? Some estimates put it as high as £160 billion. Does that sound accurate to him?

Huw Irranca-Davies: That question should probably be put to the Minister. I recognise the hon. Gentleman's long-held position on nuclear power. I pay credit to the Minister and the Government for pulling the coalition into a semblance of agreement on nuclear—albeit with the odd person against it—which means that we can move forward.

Labour's Planning Act 2008, which underpins this matter, made the planning system for major infrastructure quicker, more efficient and much more predictable. It laid the conditions for essential new investment in the UK's infrastructure, including large-scale, low-carbon energy projects. The coalition Government have a responsibility to ensure that their plans, which include scrapping the Infrastructure Planning Commission, do not add delays or remove the clarity and certainty that industry needs to invest in new renewable and nuclear capacity, and low-carbon energy. I give credit to the coalition Government and the Minister, because they have wisely decided, despite the unnecessary delay, to continue with the Labour Government's national policy statements, with the revisions, rather than wait for wholesale reform of the planning system. That is a welcome recognition of the excellent work of the Labour Ministers who formerly occupied the Minister's office and of my right hon. Friend the Member for Doncaster North.

Christopher Pincher: The hon. Gentleman waxes eloquent about the right hon. Member for Doncaster North (Edward Miliband). Can he therefore explain why the Public Accounts Committee, when it reviewed the Department of Energy and Climate Change, said that it lacked a definite sense of energy and purpose under the now Leader of the Opposition?

Huw Irranca-Davies: The ball is now firmly in the court of the Minister. There is an issue with the urgency and delivery of some the Government's ambitions that we share. They must get on with it.

Rather than take further interventions, I will get into the nitty-gritty. Some of my questions for the Minister arise from his appearance yesterday before the Energy and Climate Change Committee, which, as usual, did a very good job.

When we return to this matter with the finished articles in front of us—the final, beautifully honed, polished NPSs—will we be afforded adequate time? Will each national policy statement have adequate, separate parliamentary time in line with the coalition Government's stated aim of enhancing parliamentary scrutiny of NPSs in their planning reforms, or will they be mixed together like a bag of all-sorts? If the coalition Government are true to their aims, the Minister should help us through the usual channels to push for days, not hours, to debate the NPSs. Much as we dearly love the Secretary of State for Communities and Local Government—we may ask who would not do so, when he is described on the front page of his website as "an absolute star" and a "saintly figure", among other less self-effacing and more humorous things—when it comes to debating energy NPSs, we want the Minister of State, Department of Energy and Climate Change, the hon. Member for Wealden (Charles Hendry), or the Secretary of State for Energy and Climate Change. We want them—no one else will do. Can the Minister guarantee that he and his DECC colleagues will not be squeezed out of their seats by the right hon. and saintly Member for Brentwood and Ongar?

In the coalition's drive for parliamentary scrutiny, I am sure that the Minister will be able to confirm today that there will be a separate vote on each NPS, having been unable to confirm it yesterday to the Energy and Climate Change Committee. To mix the nuclear issue with those of fossil fuels, renewables, pipelines and the electricity network infrastructure would tax the wit of Wilde and the wisdom of Solomon. For us mere mortals, will he make representations through the usual channels to ensure that the votes are separate?

Will the Minister explain to the House why he has set against the calls to make an NPS amendable? We understand that there will be a take-it-or-leave-it vote. It would be interesting to hear the justification for taking scrutiny so far but no further. He might have a very strong rationale for that position, such as wanting to avoid the unpicking of an NPS that has been through exhaustive consultation, but we need to hear it.

There is a more fundamental point to be made about the parliamentary scrutiny of the NPSs, which goes to the very heart of the planning reforms that the Government are developing. The argument advanced by the coalition is that democratic accountability is best assured by laying the NPSs in front of the House and making a Minister, hopefully this Minister, answerable for them. In fact, he said back in June:

> "A fast and efficient planning system is critical for facilitating investment in much needed new energy infrastructure. By abolishing the Infrastructure Planning Commission we will ensure that vital energy planning decisions are democratically accountable."

His colleague the Minister of State, Department for Communities and Local Government, the right hon. Member for Tunbridge Wells (Greg Clark), went further, saying:

> "Today the coalition is remedying those deficiencies by putting in place a new fast track process where the people's elected representatives have responsibility for the final decisions about Britain's future instead of unelected commissioners."

Yet we understand that for the Minister, the consideration of the NPSs is a quasi-judicial decision. He has described it as such. Ministers, formerly myself included, are used to making quasi-judicial decisions and are made aware of the very strict limitations that bind them. His decision is strictly limited, involves the application of policy to a particular set of facts and requires the exercise of discretion and the application of the principles of natural justice. It is not a prescription for localism, political interference or ministerial hokey-cokey. It is about policy and facts.

May we safely assume that the NPSs, once presented to the House by the Minister in January, will be a fait accompli? May we assume that he will have satisfied himself, in a quasi-judicial role, that the NPSs presented are fit for purpose? He will listen to fellow MPs, but his mind will be made up. On that basis, will he tell us, first, what is the point of putting the NPSs to the House if they represent his full and final view? Secondly, if he has a mind to amend them, what specific examples can he give that would cause him to change his quasi-judicial view and alter the documents, and what further time delay would ensue?

Charles Hendry: I hesitate to intervene on the hon. Gentleman after my own comments went on for quite a while, but I wonder whether I can provide clarity on that issue now. The quasi-judicial aspect relates to a ministerial decision on a planning application, not to the approach taken to the national policy statements themselves. We are in the course of a three-month consultation, which will finish on 24 January. There will quite possibly be amendments to the NPSs after that, which will be in the final version put before the House for debate, assessment and a vote. We do not have a quasi-judicial capacity in that respect. My comments about acting in a quasi-judicial capacity related to ministerial decision making on individual planning applications under the rules set out in the NPSs.

Huw Irranca-Davies: I thank the Minister for that intervention, but will he clarify two things? Has he just said that NPSs will be amendable on the Floor of the House. He will sign off and present NPSs to the House, but will he sign them in a quasi-judicial role, or will he perform such a role only in respect of individual planning applications?

Charles Hendry: There is confusion between the approval process for NPSs and the role that Ministers will take in respect of individual planning decisions when the IPC has been abolished. On individual planning decisions, Ministers will act in a quasi-judicial capacity, but on NPSs, a revised consultation period to take account of the initial representations—we felt that improvements needed to be made—will end in January. If further revisions are necessary, a document will be put to the House for its final consideration and approval.

Huw Irranca-Davies: Is the Minister suggesting that the final document will be amendable and subject to a decision by the House, as I think I heard him say from a sedentary position? It would be helpful if he could clarify that, because we are talking about significant decisions over the future energy needs of this country. It is important that the House knows whether it is voting on a batch of NPSs or on each one individually and for how long they will be debated. It is also important that the House knows whether it has the ability to amend NPSs. If so, would that cause delays? My assumption is that if the House changes any individual NPS, it will need further consideration and possibly consultation.

[Huw Irranca-Davies]

The Minister's officials would certainly become involved, and relevant stakeholders would need to be consulted. There would be a minimum of 13 weeks' consultation, as recommended by civil service guidelines, but possibly a heck of a lot more. It would be helpful to get some clarity on those issues before we debate NPSs.

Charlie Elphicke: Speaking of clarity, can the shadow Minister explain why we are threatened with the lights going out in 2015? Should he and his party not apologise for that shocking situation?

Huw Irranca-Davies: If the hon. Gentleman is seeking apologies, may I suggest that he starts by knocking on the door of No. 10? He should ask the Prime Minister why it took so long for him to move from a position of equivocation on nuclear new build to a position of indifference. Following Labour's leadership, the Prime Minister finally rowed in behind on the need for nuclear new build. The five-year hiatus to which the Minister referred happened, as someone remarked earlier, because there was no appetite in the country or among the body politic to move forward on new nuclear. We showed leadership; certain individuals rowed in behind, but it took them a long time to do so.

For the sake of taxpayers, who are always in the mind of the coalition Government, will the Minister tell us what he knows about the cost of abolishing the IPC? What are the costs of the transition to the new major infrastructure unit within the planning inspectorate? Will there be savings for the taxpayer, and if so, will he or the Government publish those figures after the debate?

In the absence of the much anticipated localism Bill, where in the reformed process does localism rear its lovely head? Will the Minister explain how parliamentary scrutiny of NPSs, which represent the Minister's opinion on the strategic needs of the UK, allows for localism? If the answer to that question is not in the Government's response and if we will not be told in January, where is it?

What is the expected lifespan of NPSs? I ask that for a very good reason. The Minister recently spoke with clarity and purpose at a meeting of the World Coal Association, which I was pleased to attend, and made a bold prediction. He said with certainty that next spring, he would draw a line in the sand on his forthcoming decisions on a range of market mechanisms and incentives, including electricity market reforms, carbon floor-pricing, emissions performance standards, capacity payments and so on. The NPSs are part of that line in the sand, giving investors certainty for years ahead, yet they do not stand alone. There are so many "What ifs?", and the Minister has to take these into account—it is like multi-dimensional chess.

I know that the Government do not particularly like the idea of school sport, as we discovered yesterday, but the Minister has been indulging in his favourite sport with his ministerial colleagues—an extreme sport known as Treasury-wrangling. After some delay, he came out with a partial win, announcing the first stage of commercial CCS—carbon capture and storage—which has delivered, after a slight delay of six months, the first part of Labour's commitment to CCS. We look forward to him rapidly bringing forward not only that pilot, but the three others, including a pilot on gas CCS. However, may I urge—or should it be "nudge", in the Government's new lexicon?—the Minister to get on with that pronto? He has honestly and publicly acknowledged that there is no future for coal in the UK unless that technology is made to work. However, there is also a global imperative, as developing nations rush towards their own coal-powered futures. As such, this Government must avoid any further delay on the complete CCS programme of work.

However, what if CCS on a commercial scale does not work? What if there are delays because of cost, lack of funds or complexity, or because the technology to bring it forward is not available on time, or even not at all? We all want CCS to succeed—we all say that it has to succeed—and we are full of hope that it will, both for UK energy security and abating the global exploitation of fossil fuels. However, a reasonable man—and a reasonable Minister—cannot just assume that that will happen, and must therefore make contingency plans.

Martin Horwood: Given that carbon capture and storage technology has been in use on a commercial scale in the United States for some 40 years—albeit not on the same scale as that envisaged for the power stations in question—what does the hon. Gentleman imagine the technical barriers will be?

Huw Irranca-Davies: I am glad to say that I am not an engineer, but that is exactly the point behind the large-scale commercial CCS pilots. That is exactly why we are running them, and we all hope that CCS will work. Indeed, I recognise the hon. Gentleman's confidence that it definitely will work. However, there are some nagging "What ifs?". What if CCS is not delivered on time, or cannot happen because of the technology, the scale or the investment?

In my short time in this post, I have come to realise that the Minister's Front-Bench colleague, the hon. Member for Bexhill and Battle (Gregory Barker), positively exudes enthusiasm. Indeed, he leaves a trail of enthusiasm wherever he goes, and for every conceivable energy source. His enthusiasm is demonstrated in photo-ops around the country and around the world, but what if the latest enthusiasm for decentralised energy, which the Minister mentioned, and combined heat and power is not realised, because the electricity grid is not smart enough to make it work locally or because the right incentives are not in place, or for other reasons?

I have a final "What if?" for the Minister: the nuclear "What if?". He has been categorical in recent days—heroically categorical—that new build nuclear is on schedule for 2017-18. Yet he knows that the Health and Safety Executive will not be issuing final certificates next year on the two designs that this House has taken through in the past few days through justification orders, but will instead issue interim certificates. There is more work to be done on the designs and, equally importantly, the build speed of new nuclear, as evidenced by delays internationally, in Europe, the US and Asia.

The coalition Government have struggled to come to terms with their identity crisis on nuclear—do they love it or hate it, and will they unequivocally support it or sit on the fence—but the Minister deserves some credit for helping his Lib Dem comrades down off the fence. However, the industry still waits for the long-term certainty of market signals that will bring forward the investment at all, let alone on time. So, there are "What ifs?" on

nuclear, decentralised energy and CCS, as well as on other things, if only we had the time to discuss them in this short debate.

Martin Horwood *rose—*

Huw Irranca-Davies: I will not take another intervention because there are other people waiting to speak.

Meanwhile, part 3 of the overarching energy policy statement details new electricity projections. It outlines the need for 59 GW of new capacity by 2025, of which as much as 33 GW will be from renewables, thus leaving a significant potential gap, on top of the energy gap that we already acknowledge, if the Minister's best laid plans do not come to fruition. This raises the question of how the Minister can avoid re-carbonising instead of de-carbonising the energy sector if an unabated dash for expensive imported gas rushes in to fill the looming energy gap. The dash for gas and the energy gap could be made far worse if any of the "what ifs" were to happen. The Minister has honestly and openly accepted that gas will form part of our journey to a de-carbonised future, but how will he ensure that we do not stumble into a new generation of unabated gas use by default?

As a former Minister, I recognise the problem of dealing with highly complex issues and scenario planning. I therefore ask the Minister to share with the House his scenario planning and risk analysis for the energy market, before we come to debate the national policy statements in detail on the Floor of the House in January. If there is to be real democratic accountability, the House needs to see the complete assumptions on which the Minister is making his case for the NPSs and for the energy market underpinning them. We assume that these have been done. If nuclear, CCS, decentralised energy or a whole host of other variables were delayed or undeliverable, what is plan B, plan C or plan D, and would any of them allow us still to reach our aims on energy security and low carbon energy?

In that regard, what is the Minister's response to the recommendation of the Committee on Climate Change, in response to the proposals for national policy statements on energy, that the Government act on the Committee's proposal that the widely accepted concept of fully de-carbonising the electricity sector by 2030 should be made explicit in Government policy and NPSs? It has been widely accepted anyway, and it would drive the achievement of the 2050 targets on greenhouse gases. The Committee asserts that making explicit that commitment would drive forward decision making on new generating capacity and give certainty to investors regarding the Government's overarching energy policy.

Dan Byles: The shadow Minister has highlighted the concern that many of the Government's plans are predicated on CCS working and on investment in nuclear coming through, and he has asked what plan B is. Can we look forward to hearing from those on his own Front Bench what their plan B would be if they were in government?

Huw Irranca-Davies: I can give the hon. Gentleman a guarantee that we are committed to assisting the Government to deliver this, but to ignore the potential scenarios of not making good in any one of these areas would be to bury our head in the sand. There are real concerns that there could be delays in one of these areas, and if that were to happen, we, as a constructive Opposition would have to work jointly with the Government to fathom a way in which we could still deliver de-carbonised energy, hit our carbon reduction targets and deliver energy security and affordable energy. I have not even touched on the issues of the green deal and the green investment bank that were raised by other Members earlier. That is why we need to see the Government's working assumptions, the detail behind the Minister's development of these NPSs and, as soon as possible, the proposals for electricity market reform.

I am pleased that the Minister is talking a lot about the intentions behind the NPSs, but we are really up against time. I know that he will once again stand up and say that that is all the fault of the previous Administration, but actually it was the previous Administration who put in the foundations for what the coalition Government are now rightly taking forward. We will look to the Government to make good, and we will be constructive in helping them, but the House and the Energy and Climate Change Committee need to be able to wrestle with the facts as well as with the broad thrust of the statements. I have spoken longer than I intended to, and I look forward to hearing the comments of other Members.

6.3 pm

Damian Collins (Folkestone and Hythe) (Con): We have had a tour de force from the Minister and the shadow Minister on many of the issues in the national policy statements for energy. I shall restrict my comments to an issue that affects my constituency, which is the list of suggested nuclear new build sites and, in particular, the Dungeness site. At present, there is an A station and a B station at Dungeness, and the site was included on the previous Government's original list of 11 sites to be consulted on. Before the general election, it was removed from the list after the initial stage of the consultation, and it has remained off the list of potential sites to be taken forward within the national policy statement in the draft consultation that has been presented to Parliament.

I have already discussed the issue in debates in the House and in Westminster Hall and I do not want to go over all the ground again, but I do want to deal with some specific points raised by the draft national policy statement which may be of interest to other Members. Let me say first that I am grateful to the Minister for the interest that he has taken in the subject, for his time, and for agreeing to meet me later in the month, along with representatives of Shepway district council and Kent county council, to establish whether any progress can be made.

I note from the draft statement that the Government consider the site of Dungeness nuclear power station to be a credible site for a new power station should the principal concerns about it be addressed during the rest of the consultation period. Those concerns lie chiefly with Natural England's objection to the development in a special protected area, a Natura 2000 reserve with a European designation. Dungeness is the only site under consideration in the initial consultation in which development would take place within a protected area. There are problems with the other sites that the Government believe can be solved, but the problems affecting Dungeness remain.

[Damian Collins]

My constituents have particular concerns. They are typical of many communities living alongside nuclear power stations who have grown used to them, and are gratefully respectful not only of the energy that they contribute but of the large amount of employment that they bring to the communities that they serve. The existing Dungeness B station brings about £20 million a year into the local economy in Romney Marsh and in my constituency. That is not to be sniffed at: it would be difficult for a community to obtain the same amount of investment from any other source.

My constituents' concerns lie with Natural England's objections, with which the draft statement deals in some detail. The statement gives an answer, but it does not provide much further consideration that could help us to address some of those concerns. One objection is that building on the vegetated shingle at Dungeness would damage the site, and that that damage could not be mitigated. The counter-argument is that there would be a relatively small amount of development, and that a new nuclear power station would take up less than 1% of the entire protected area and thus could not be said to damage the integrity of the whole site. Natural England, however, believes that the damage will be greater, and that it will be impossible to mitigate.

We would like to know what further study could be conducted. Some of the land that would be lost has been developed before: it is not virgin territory that has never been disturbed. Much of the area that would be disturbed by the building of a new power station was disturbed when the existing power station was built. We would like any further study to consider the areas containing flora and fauna, and the vegetation on the shingle, which is the reason for the designation. Natural England says that if that vegetation is lost, it would not come back, but in parts of the peninsula it can be seen that where vegetation has been disturbed and lost, it has grown back.

Is a further study possible? Could it be said that Natural England's concerns are not as great as it would have us believe, and that there is room for mitigation? We would welcome some guidance, either from the Government or through the process that is taking place. At present, the response seems to be an absolute "no", although there have been a series of detailed considerations. EDF Energy, the owner of the current site, has made three presentations to the Government during the consultation, and Shepway district council has presented the Department with its own report, written by Ian Jackson. I know that those views have been considered, but we have been given no further detailed information about why they have been rejected, and we would like to know how we can make progress.

The behaviour of Natural England raises a different concern. A view is developing among local people that Natural England is not particularly interested in the opinions of others, but is interested only in its own opinion, and that that colours its desire to extend the protected areas beyond the current Dungeness site. At the end of last month, Shepway district council passed a motion which includes the following paragraph:

"This Council therefore rejects any need for the extension of the Dungeness, Romney Marsh and Rye Bay area nature conservation designations. It further looks to Natural England to work with the local population and businesses to find a more collaborative and integrated approach in preference to the prescriptive approach it is currently favouring."

We would certainly welcome that.

Turning to the nature of the national policy statements, the site report on Dungeness states:

"Given the nature of the issues at Dungeness, it may be easier to ascertain that there will not be adverse effects on the integrity of the SAC at the detailed project level of an application for development consent."

My concern in that respect is that no energy company would take forward such a proposal for Dungeness if it were not included in the list of preferred sites. The Minister said to the Energy and Climate Change Committee yesterday that national policy statements

"set the framework for major planning decisions. I think that the thoroughness with which they address those issues gives investors a significant amount of security."

I agree; that is what the national policy statements are for. However, if a site is not included in a list, even though it can in theory be taken forward, no one will do so without a degree of certainty. I therefore wonder whether Dungeness could be included within the draft NPS, but with caveats listing the concerns of Natural England, which could then be addressed at a later stage. I would like us to be able to get to that stage first, however.

6.10 pm

Dr Alan Whitehead (Southampton, Test) (Lab): We have a scandalously short time in which to address these issues this evening. I have calculated that if we were to stack vertically the documents we are talking about this evening—important documents fundamental to the future of our energy planning—the pile would be 7 inches high. We have therefore been allocated 21 minutes per inch of document. As I have seven minutes, I will address just one third of the documents by focusing on EN-1 and EN-5. However, I hope the powers that be will press through the usual channels for a lot more time in the Chamber to discuss these documents as they go through the consultative phase, because it is just not right that we have such a short time to get to grips with them.

EN-1 is an overarching policy document setting out our energy planning framework for the future. It deals with our climate change commitments, and our commitments to reduce our greenhouse gas emissions by 80% by 2050. That, in turn, means the documents have to address the decarbonisation of the UK's energy supply. The Committee on Climate Change wrote to the Secretary of State for Energy on 17 June, stating baldly:

"The path to meeting the UK's 2050 target to reduce emissions by 80% requires that the power sector is largely decarbonised in the period to 2030 (e.g. average emissions should be about 100 g/kWh in 2030 compared to around 500 g/kWh currently)."

I assume that the Government largely agree with the Committee on Climate Change that to meet the requirements of our climate change budgets this, or something like it, should be the scenario and that that will be reflected in the planning documents that are published. After all, if we are to achieve these goals we cannot just hope they will happen; we need to plan for them, and to achieve them through a combination of planning signals, market incentives and supply and trading arrangements.

EN-1 states that under some of our pathways some revisions have taken the scenario beyond 2025 towards the 2050 targets. It states:

"Under some of our 2050 pathways, energy would need to be virtually emission-free".

Tessa Munt: Does the hon. Gentleman agree that the Infrastructure Planning Commission successor body appears to be carbon-blind in its decision making under the arrangements? The IPC successor body should give significant weight to any project's carbon emissions and ensure that cumulative emissions from the various projects do not jeopardise the UK's carbon targets and their budgets. The national policy statement should provide an additional safeguard to that process.

Dr Whitehead: The hon. Lady is absolutely right. In response to the Energy and Climate Change Committee report examining the previous national policy statements the Government have accepted they need to undertake some sort of spatial planning arrangement which will look at the cumulative impacts between various arrangements as they progress. She is also absolutely right that in this NPS that question of decarbonisation of supply needs to be part of the process, not anterior to it. The current level of emissions of our energy supply means that if we are to get to that position, gas at about 450 grams per kWh unabated probably will have no part to play in the energy economy by 2030—when abated, it comes in at about 100 grams per kWh.

What are we planning? What are we looking for in these overarching documents? According to EN-1, we are planning to require a capacity of about 113 GW of installed power sources by 2025, which is a substantial increase on 2010 levels because of the penetration of wind, in particular. According to the scenario of that capacity projection, wind needs greater capacity to balance its variability. So the 113 GW, which is an increase on the about 80 GW of installed capacity that we have at the moment, will need to be installed by that point. However, 22 GW are expected to go offline, including most nuclear plants and a number of power plants, under the large plant directive and the industrial emissions directive. So 59 GW of new power will need to be built between now and 2025, one way or another.

If we reach the renewables targets for wind, and we probably will, given the amount of wind power already in planning, we will have about 33 GW of wind power on the grid. That means that we will need 26 GW of new build non-renewables or non-wind. Of whatever type, they will, for the reasons I have outlined, need to be low-carbon or lowish-carbon. Some 8 GW are under construction and almost all that construction relates to gas. That leaves a balance of 18 GW. Some 9 GW is not under construction but has planning permission. The Government dismiss that as uncertain, but 5 GW of that relates to gas; plans for a further 7 GW are under consideration, most of which also relates to gas. So it appears that most of the current gap is set to be made up by gas. As the Select Committee has been told by the Committee on Climate Change, more gas is in the pipeline in terms of planning, permissions or build than we need for that future decarbonisation strategy to work.

The NPS says that

"it would be for industry to determine the exact mix of the remaining 26 GW of required new electricity capacity, acting within the strategic framework set by the Government".

If industry decides as it appears to be deciding, it will choose gas. If it is to be gas and that gas is unabated or only partially abated, the decarbonisation of our electricity supply will not happen.

David Mowat (Warrington South) (Con) *rose—*

Dr Whitehead: I am sorry but I have to make progress because I will not get injury time for the second intervention I take.

Mr Deputy Speaker (Mr Lindsay Hoyle): You will, Alan.

Dr Whitehead: Okay, then I will take the intervention.

David Mowat: Thank you for your help on that matter, Mr Deputy Speaker. I agree with the hon. Gentleman's point about decarbonisation, but it prompts the question: how much cost penalty would he advocate as reasonable in order for us to go down the route of a totally carbon-free mix in the way he is suggesting? Each household in the country already pays about £50 for the renewables obligation. The implication of his remarks is that the sum should be very much higher. I wonder whether he has thought about that.

Dr Whitehead: Indeed I have. I think we will find out considerably more about that in the material that will come out on energy market reform, particularly the details on what a carbon floor price will look like and what capacity payments will look like to keep the energy balance more decarbonised in future. Yes, that will add costs to the system and there need to be circumstances in which those can be abated for the public, but that is a particular issue for the energy market reform material to address.

When the Minister was asked in the recent Energy and Climate Change Committee sitting about the gap that I have mentioned he said that it is possible that 16 GW of the 18 GW gap could be new nuclear. That represents 10 new nuclear power stations by 2025, and although that would solve the gap problem it has the unfortunate downside of being inherently implausible. The Minister may want to rectify what he said in the light of that implausibility at a future date.

The Committee on Climate Change's estimate for the nuclear roll-out, produced in 2009, said that there would be a maximum of three nuclear power stations online by 2020, even based on optimistic build and planning time scenarios. Indeed, as we have seen, the timing of the justification process has already slipped.

That leaves a gap that is not filled by nuclear. It is clear at the moment that there is an apparent contradiction in our national planning statements. We want to decarbonise our supply, but for 2025 we are pushing towards having a majority of gas as opposed to a small amount of peripheral gas at peaking periods, which is what our future energy supply should be based on.

That is compounded by NPS EN-5, which attempts to collate permissions for plant and line. It will therefore replicate the question of providing grid capacity for plants as they stand and not provide new grid capacity

[Dr Whitehead]

for plants that are not yet completed and that will be needed for a decentralised and decarbonised future energy supply.

I do not have time to go into the matter of electricity storage, but I hope that the NPSs will pay some attention to that question. It is not true that electricity cannot be stored, as NPS EN-1 says. It can be stored and storage must be a future part of our increased capacity, as the Minister mentioned in the Select Committee yesterday. I hope that the Minister will reflect on that.

6.21 pm

Richard Graham (Gloucester) (Con): Thank you, Mr Deputy Speaker, for allowing me to contribute to this stimulating debate, which is fundamentally focused on the process of establishing the Government's important plan for the greatest increase in energy capacity and generation that we will see in our lifetimes. It is required, of course, to avoid a situation such as the one described by the line, "The lights are going out all over Europe; we may not see them lit again in our lifetimes." That phrase was used by Sir Edward Grey, the British Foreign Secretary at the beginning of the first world war, as a metaphor for the catastrophe that was enveloping our continent, but by 2014 it could be the reality of our energy situation.

I congratulate my hon. Friend the Minister on leading us towards a plan and through a process that will attract the enormous new investment of some £200 billion that is required to replace a third of all power stations in the next 10 years. I want to touch briefly on one aspect of it, which is the nuclear energy part: I am conscious that the shadow Minister said earlier that our overall energy situation was in "darn good shape" and "ready to go". If new nuclear power stations had been under starter's orders for 13 years, there must have been a terrible problem with the starter's pistol.

Today those plans are closer to becoming reality, not least because of the contribution made by EDF and its plan for a new nuclear power station. It is worth reminding Members that EDF took over the eight existing nuclear power stations previously operated by British Energy from Barnwood in my constituency. It is also worth noting EDF's considerable investment, which will benefit people all over this country, of £20 billion towards the next new power station. That is almost twice EDF's initial investment in buying British Energy.

With the new generation of nuclear power stations come one or two other things I want to make the House aware of. First, the Barnwood nuclear power academy is becoming the training academy for nuclear engineers not just from this country but from all over Europe, and it brings thousands of young engineers to learn their trade in the centre of England. It is also running the country's leading apprenticeship scheme, with some 400 apprentices studying on a four-year course. I am optimistic that before the Gloucestershire apprenticeship fair in February of next year, the academy will offer more apprenticeships in finance and human resources as well as in the core business of engineering on the operations side. Nuclear power is critical to the future of our energy supply and to employment opportunities in the energy sector—EDF will create some 2,000 jobs over the next 10 years. It is also important in terms of employment opportunities for our young through an ever-expanding apprenticeship scheme. That illustrates how important it is, first, to attract foreign investment to Britain; and secondly, to set up a framework and a robust plan so investors have the confidence to fulfil their part in the important new energy capabilities that the Minister is shaping us towards.

I conclude by saying that I hugely look forward to hosting a visit by the Minister to Barnwood soon to see at first hand the enthusiasm in my constituency both for tackling the energy shortages in our country and for building new nuclear power stations. Overall, the national policy statements will contribute hugely to having a more robust process, and I will certainly vote in favour of them this evening.

6.26 pm

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I am grateful for the opportunity to speak in this debate. I served for a short time on the Energy and Climate Change Committee before being moved on to other things.

As the Minister and the shadow Minister, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), made clear in their opening remarks, the policy statements are important, and it is crucial that we have the opportunity to debate them—I hope that we will have more opportunity to debate them than the short time that is available this evening. Bearing in mind that several Government Members want to speak, I will try to curtail my remarks to less than seven minutes, if possible.

As the Minister has said, policy statements are crucial to energy security, our capacity and our ageing plant, which needs to be replaced. As the hon. Member for Gloucester (Richard Graham) said, they are crucial to investment, which can create and sustain jobs in the industry and the supply chain—I know that many Members on both sides of the House have a definite interest in that.

I will not repeat the issues with Sheffield Forgemasters, other than to say that it is a crying shame that opportunities to develop, nurture and create jobs and skills will be enjoyed by other parts of the world, when we are focused on trying—in the words of the Prime Minister—to "rebalance the economy".

I want to touch on a couple of issues, to which I hope the Minister will respond. Many Members are more than aware of the huge frustration at the time it takes to move an infrastructure project from planning to building and to being ready for use—the clock is, as we all know, ticking. The previous Government looked to address that frustration through the Infrastructure Planning Commission. There are concerns that by choosing a different route—by making the IPC part of the Planning Inspectorate—the Government might be subjecting the certainty that investors need to further delays. In moving to that model, I hope that some reassurance will be given that delays will not result in investment decisions not being taken or in investment being taken elsewhere. That is absolutely crucial.

The Minister knows from our discussions that I welcome the Government's commitment to carbon capture and storage and to the pilot project at Longannet. That is the right project, given the speed with which existing coal technology can be retrofitted and be up and running.

As my hon. Friend the Member for Wansbeck (Ian Lavery) said in an intervention, it is also important that gas forms part of future carbon capture and storage projects. I have heard the Minister refer to that, but I would be grateful if he reaffirmed it and gave further information. Otherwise, we will miss out on technology that can be developed, tested and used in this country, which goes back to my earlier point about some of the jobs and skills that can be nurtured in this country but exported elsewhere. When the Prime Minister and others go off to China, India and other parts of the world evangelising for UK manufacturing industry, there is potential for jobs to be created in the whole of the UK, not only in one part. That can help to join up the parts of the policy agenda.

I want to touch on some of the issues of electricity market reform. I know that I am getting a reputation for being able to bore on about transmission charging for ever, but I have about two minutes, so I will bore on about it briefly. As the Minister will be aware, there is considerable concern in some parts of the industry that investment decisions are being limited by the current transmission charging regime. Although the Ofgem review is being conducted—I welcome Ofgem's recent change in stance—we have to be absolutely clear that as the electricity markets are reformed the transmission charging regime changes too. It was designed primarily for the pre-renewables world and is not serving our interests in achieving our overall targets for reducing carbon. There is potential for that industry to develop, partly, but not entirely, in Scotland, where investors could be put off making a number of decisions on projects as a result of the current transmission charging regime.

There has been a lot of talk about the importance of the green investment bank. The idea originated under the previous Government and has been carried forward under this Government. It is crucial that we get the model right. It has to be about levering in green investment on a certain scale if it is to have any positive impact.

I use my last few seconds to reiterate my plea to the Secretary of State for Scotland—which he seemed to begin to agree with—that the green investment bank be based in Scotland, given the industry and the expertise that is there.

6.32 pm

Sarah Newton (Truro and Falmouth) (Con): I am pleased to be called to speak in this important debate. Like many MPs, I believe that the first responsibility of any Government is the security of its citizens, and I take that responsibility very seriously. Securing our energy supplies is vital for the well-being and prosperity of the people who sent us here to represent them. The failure of the previous Government to invest, despite the so-called boom years and their great appetite for spending other people's money, has led to our being far too dependent on imports to supply our national energy needs. Why? As we are discovering from so many other areas of policy that we have inherited, the reason is the previous Government's failure to fix the roof while the sun was shining. There has been a lack of coherent and consistent policy to enable the UK to have a secure energy supply.

Like any industry, the providers of energy need a clear and timely planning process, and the national policy statements are a step in the right direction. Along with proposals that we anticipate in the localism Bill, they will create the right processes that will enable the development of sustainable and secure energy supplies for the UK. I believe that the new policies should provide an efficient and democratically accountable system, and a fast-track process for major infrastructure projects. There is no doubt that there is an urgent need for a new energy structure in the UK. In developing that structure, the right balance must be struck between consenting to and building new energy infrastructure and the importance of protecting our environment and the quality of life for those who live in the communities where that important infrastructure is located.

Jacob Rees-Mogg (North East Somerset) (Con): I wonder whether my hon. Friend might also emphasise the great importance of ensuring that energy is affordable for the poorest people in the country. There are some high-falutin' ideas that seem to add cost for consumers, and they should be opposed.

Sarah Newton: I very much agree. Far too many people in constituencies such as my hon. Friend's and mine, especially in rural areas, are living in real fuel poverty and enduring the hardship associated with high energy bills.

In establishing the right balance between environmental protection and the need to build new infrastructure, my hon. Friend the Minister must take very seriously the points my hon. Friend the Member for Folkestone and Hythe (Damian Collins) made about Natural England. Many of us up and down the country face the problems he described.

I welcome in the draft statement the recognition of the important role that local authorities will play in the development and consideration of proposed major energy projects. The extent to which local authorities wish to be involved in the planning process has always been, and will continue to be, up to them, but the new regime is a significant improvement, giving local government statutory rights in the process and ensuring that its views are adequately taken into consideration. In addition, rather than imposing additional costs, there are potential savings for local government from the new regime, as shorter hearings and quicker decisions should ensure that in future local authorities do not incur the costs incurred now.

As hon. Members will be aware, I represent a constituency in Cornwall, where we aspire to be world leaders in the new low carbon industrial revolution. As a result I have a particular interest in how the relevant parts of the NPS support the development of renewable energy. We are blessed with an abundance of natural resources that make us ideally situated to develop significant quantities of low carbon electricity to feed into the national grid. In the universities of Exeter and Plymouth and the Camborne school of mines, we have a world-leading knowledge base in renewable and sustainable energy. In local companies such as GeoScience and Kensa Engineering, we have pioneering and highly skilled engineering companies. The wave hub off Cornwall's north coast is the first of its kind in Europe and it enables the testing of prototype wave and tide devices. We have great light for photovoltaics, an abundance of onshore wind and the hottest rocks in the UK. What we do not have is a national grid infrastructure able to take

[Sarah Newton]

the anticipated volumes of electricity that can be generated locally to be fed into the grid. I believe that the NPS will help to tackle that wholly unsatisfactory situation.

Although I understand the Government's reasons for feeling that there is no urgency about including technologies such as wave and tide in the NPS until large-scale commercially viable schemes have been developed, I urge the Minister to keep them in mind for the next round and subsequent revisions and, in the meantime, to do all he can to support that sector of renewable energy generation and to keep a watching brief on how the Marine Management Organisation handles its responsibilities. He will not be surprised to hear a similar plea from me for deep geothermal energy generation, which has the potential to contribute 5% of the UK's electricity. That technology, which is tried and tested in other countries—often developed by UK engineers—is yet to receive the support it deserves from Government in this country. With my hon. Friend's assistance, I hope to reverse that.

Given the scale of the challenge ahead, it is vital that NPS is capable of being revised and updated, so that, as we learn more about new and emerging technologies and develop an evidence base for their capacity to deliver energy into the grid and to contribute to the Government's aim of decarbonising electricity production, they are supported and given the chance that inclusion in the NPS will provide.

6.39 pm

Andrew Percy (Brigg and Goole) (Con): It is a delight to follow my hon. Friend the Member for Truro and Falmouth (Sarah Newton), who spoke about the energy potential of the hot rocks of Cornwall. I shall say something about the energy potential of the East Riding of Yorkshire and north Lincolnshire, which it is my privilege to represent. My rocks may be a little colder, however.

We already contribute significantly to the energy infrastructure of this country, not least through the power stations just outside my constituency and the constituency of my right hon. Friend the Member for Haltemprice and Howden (Mr Davis), at Drax and Eggborough, as well as through the coal-fired power station at Keadby in my constituency. There are also the potential opportunities that I raised with the Minister earlier with regard to offshore wind at the South Humber Gateway. I shall not mention in the presence of my neighbour, my right hon. Friend and the Member for Haltemprice and Howden, onshore wind turbines, as he and I are engaged in a number of skirmishes with various developers.

I welcome today's debate, which has ranged much broader than simply the national policy statements. We have gone into many wider areas of energy policy. The national policy statements will contribute to putting our energy policy on a much more secure footing, which we recognise is essential if we are to attract the necessary investment to keep the lights on in this country, as other Members have mentioned.

I shall speak about two issues associated with the potential for offshore wind. I mentioned earlier the potential for clustering the manufacturing for offshore wind at the South Humber Gateway, which has been progressing somewhat slowly through the planning system, owing to similar problems to those mentioned by other Members in relation to Natural England. In fairness to both Natural England and the developers, I should say that there has been significant movement in recent days and we may well get agreement. The planning structure is a problem for us because the developers are looking at sites not just in the UK, but internationally. Unless we get that right, we risk losing a potentially huge amount of investment, in this case to other countries in Europe.

I was pleased to hear the Minister talk about the review of overhead lines, which are another massive issue in my constituency. The national grid seems to criss-cross all over some beautiful Lincolnshire and east Yorkshire countryside. I shall follow the proceedings with interest.

On the relationship between national policy statements and local councils, I echo some of the concerns expressed by the Energy and Climate Change Committee, which said:

> "We are concerned that the current status of the NPSs within the wider planning system is, at best, ambiguous."

I note the Government's response, which states that

> "the degree to which Government policy, including the policy in the NPS, or draft NPS, is relevant to any particular planning application . . . is not for Government to prescribe."

They go on to say that they therefore do not believe that any additional guidance is necessary.

I ask the Minister to reconsider that. Having served as a local councillor for 10 years, I know that it is an undeniable attraction to planning officers to look for leadership from national Government in local planning decisions. Could we have a clearer statement that the NPSs will not impact on local planning decisions and should not be used as an excuse? We saw regional spatial strategies often being drawn into planning applications, where they had no real role. The temptation is irresistible to many planning officers to look to national policy for guidance. Perhaps that can be considered in more detail when we debate national policy statements next year.

I welcome the general direction of policy. The debate today has been interesting, with the Minister and the shadow Minister working on a consensual cross-party basis on many topics. That is significant on a subject that is so important to the country. I look forward to seeing the Minister at the South Humber Gateway shortly, and I thank him for that.

6.43 pm

Dan Byles (North Warwickshire) (Con): I shall keep my remarks brief, as I am conscious of time.

It is extremely important that we get energy policy right. It is right that the Department has reconsulted on it, rather than rushing ahead, as it might have done. If we get energy policy wrong, we will live with the consequences for decades to come. There is a huge infrastructure challenge. As has been mentioned, we need to replace about one third of our entire energy generating capacity in the next 10 years.

All our nuclear power stations bar one will be off line by 2023, and we need to rebuild substantially, if not completely, our energy transmission infrastructure if

we are to move towards a smart grid, which we will need to enable the 21st century energy infrastructure that we are trying to put in place to work. This huge infrastructure challenge translates into a huge investment challenge. Some £200 billion of investment is required in the coming years. To put that into context, I point out that it is approximately one third of the entire investment in energy infrastructure that the whole of Europe will require. EDF is looking at spending some £20 billion on what we hope will be the first of a new generation of nuclear power stations. That £20 billion represents the largest single investment by a French company outside France, I think ever, but certainly since the second world war. We need another nine just like that if we are to hit our £200 billion.

At the risk of over-emphasising this issue, let me say that we absolutely have to get the investment climate right. We need to put in place a stable regulatory and investment climate that will give investors the confidence to invest staggering sums of money for 30 or 40-year timelines and beyond. The investment challenge here is probably the biggest single part of the issue that we are discussing today. I therefore strongly welcome the broad degree of cross-party consensus that we have on our emerging energy policy. Investors must have the confidence that we will not lurch from one energy policy in this country to another with potential changes of Government, but work together and put something in place that will give the confidence for 10, 20, 30, 40 years or more.

That is all I want to say. It is a plea as much to those on the Opposition Front Bench as to those on the Government Front Bench. We must ensure that we put together an investment and regulatory regime that will not change, that will be stable and give the confidence that is necessary if we are to have the investment that we need.

6.46 pm

Tessa Munt (Wells) (LD): I will return to my favourite subject of the electricity grid, particularly as it affects Somerset, Suffolk and the other areas that have been mentioned today. Electricity networks have a significant effect on the beauty and tranquillity of the countryside, and to date the industry has been guided by a set of principles called the Holford rules in routing new overhead lines. I particularly want to note that the second draft of the NPS on electricity networks proposes to weaken the standing of the Holford rules. The latest draft says only that decision makers

"should bear them in mind".

That is likely to mean that there will be no requirement on either the electricity companies to demonstrate that they have sought to avoid damaging impacts on important areas of landscape, or that the decision maker should base its evaluation for proposed overhead transmission line schemes on whether the Holford rules have been met. Neither does there seem to be an expectation that the mitigation measures suggested in EN-5, at paragraph 2.8.9, should be carried out for schemes where one or more of the Holford rules are not met. The effect of this will be seriously to weaken the protection of the countryside from unnecessary or intrusive energy infrastructure.

The other minor points that I would like to make include the wording of several sections of the NPS where minor changes of wording could have major impacts. I will write to the Minister in detail about those if I may, but certainly there are paragraphs in EN-1 that relate to the historic environment where there is weakened protection for non-designated but still important heritage assets, and there are impacts on the visual landscape that relate to the regional economy departing from existing protections for nationally designated areas such as national parks or areas of outstanding natural beauty. In addition, EN-1 also seems to advise applicants on how to circumvent green belt protection.

Finally, I cannot reflect the comments that were made earlier, and I should like to be sure that there is some way in which local authorities can negotiate a realistic contribution from developers, especially, for example, for residents in my area, which will be providing a storage facility for nuclear waste on a temporary basis that I understand to be somewhere in excess of 100 years.

6.49 pm

Charles Hendry: We have had a good debate. It has been brief, but it is part of the process, not the end, and there will be further opportunities to discuss the issues at length when the House returns in the new year. We have had a very good mix, involving national interest and a great tour of the energy opportunities horizon in the constituencies of many Members on both sides of the House. One of the most encouraging outcomes of the debate is the recognition that, throughout the country, people are looking at how we can generate electricity in a new way. Where are the new opportunities? The hot rocks in Cornwall and the cold rocks in Yorkshire—the great opportunities that we find around us—are something that we should truly celebrate as we look at the issue.

The hon. Member for Ogmore (Huw Irranca-Davies), who speaks for the Opposition on these matters, talked about who should take the credit, Labour Ministers or Conservative Ministers? I do not think it should be any of us, because it should be our incredibly hard-working officials, who have done almost all the work in getting us to our current position and an outstandingly good job on a very complex set of documents.

The hon. Gentleman talked about the delay. We wish that there had not been one, but we recognised that in the previous draft statement there was a flaw in the appraisal of sustainability, and we felt it right to re-interpret that in order to make it stronger and clearer. Because that was so fundamental and in the overarching national policy statement, it seemed right that we should re-consult on all the statements, and it has been absolutely the right way to take the matter forward.

On the question of how the process will move forward, we have assumed that there will be a debate about the national policy statements overall and, at the end of the day, votes on the individual statements, but we do not anticipate the scope for hundreds of amendments to them. We have changed the previous Government's decision that there would be no vote at all, because we believe it important that, as part of this democratic process, the House should have the chance to vote on them.

The hon. Gentleman asked also about the role of localism. There is a difference between the nationally critical strategic infrastructure, which we deal with in the national policy statements, and the local agenda,

[Charles Hendry]

where we believe that local authorities should have significantly more power when deciding on the issues that come to them below the 50 MW. Of course, the views of local people, directly and through their local authorities, will be an integral part of individual planning applications, and they will be heard.

I shall pick up on some of the other points that have been raised during the debate. My hon. Friend the Member for Folkestone and Hythe (Damian Collins) talked about Dungeness, and from our conversations and his consistent representations, I understand where he is coming from. We recognise that the development of a new nuclear power station at Dungeness would be a continued source of employment and bring economic benefits to the surrounding area, but the Government are obliged by law to consider adverse affects on the integrity of European-protected sites which might be caused by development and to consider alternative sites if those impacts cannot be mitigated.

Dungeness is not on the NPS, because we have not yet been persuaded that a new nuclear power station could be built there without having adverse impacts on the integrity of the Dungeness special area of conservation, or that adverse impacts could be avoided or mitigated. The Dungeness SAC is the most important shingle site in Europe, so after careful consideration of the representations made so far our view that Dungeness should be excluded has not changed. The consultation is continuing, and, if additional evidence that changes that conclusion emerges in the course of the meeting that I will have with my hon. Friend and his local authority's representatives, or in written submissions, we will take it into account.

The hon. Member for Southampton, Test (Dr Whitehead), who speaks with such authority, raises several issues, but I shall focus on the role of gas. We see a need for gas, but part of the issue is that we have inherited a situation in which new nuclear cannot be built until the end of the decade, because its construction did not start earlier. Further, when it comes to the mass roll-out of renewables, we are third from bottom in the whole EU. We have great ambition but start from a long way behind. Carbon capture and storage on a major commercial scale cannot play a massive role until the end of the decade, although our ambitions for that are high.

Gas will therefore have to be part of the process; that is the simple, practical reality. Gas-powered stations can be built quickly; gas requires lower capital expenditure than other technologies, so the write-off period is lower; and importantly it is flexible, so it can back up other, more inherently variable technologies.

Of course, the issue of emissions will be critical. That is why we are taking forward the work on the carbon floor price and looking at emissions performance standards and the other measures that will be brought to bear, which investors will need to take into account as they make decisions on these critical investments. The time scale of that is now almost upon us. In the next few weeks, before Christmas, we will set out how the electricity market reform process will work.

My hon. Friends took me on a fascinating tour of the country. We heard about the nuclear opportunities in Gloucester and the great training opportunities at the Barnwood EDF facility. My hon. Friend the Member for Gloucester (Richard Graham) is absolutely right to talk about the skills agenda and the supply chain opportunities that we are determined to realise.

My hon. Friend the Member for Truro and Falmouth (Sarah Newton) focused on energy security and the issues surrounding the wave hub and deep geothermal resources. I look forward to visiting those facilities with her in due course. My hon. Friend the Member for Brigg and Goole (Andrew Percy) talked about the supply chain and his concerns about power lines, which we completely understand.

My hon. Friend the Member for Wells (Tessa Munt) spoke about the Holford rules. We will reflect on the concerns that she expressed, but we must also have clarity about what benefit local areas will achieve from these new investments. That is at the heart of the localism Bill. Thinking about how local communities should benefit in terms of business rates and other direct benefits coming into their communities will completely transform the relationship between these facilities and the communities who host them. That will be an important element as we move forward.

The hon. Member for Rutherglen and Hamilton West (Tom Greatrex) speaks with great authority on these issues, and the House benefits from his expertise. He is absolutely right that time is not on our side. The whole purpose of what we are trying to do is to remove the barriers to new investment in these areas. We are absolutely clear that there will be no public subsidy for new nuclear, but we must then remove the other potential barriers—the regulatory barriers—to ensure that that investment can go ahead. On carbon capture and storage, I can absolutely give him the assurance that we are looking to gas as part of the next projects. The market-sounding exercise showed a significant interest in gas, and we will therefore open up this competition to gas plants as well.

The hon. Gentleman talked about EMR and the cost of transmission. We have to look at this in a new way. People will not build power plants if they do not believe that they can get their power to market. Historically, power plants were built in the coal centres or outside the big industrial centres; now, we are looking at new places for them to be built. We have to look at this afresh, and I am delighted with the work that Ofgem is doing to look at the best structure for the process. I will leave others to deal with the issue of the location of the green investment bank.

Finally, I want to deal with some of the points made by the hon. Member for Ogmore. He mentioned "what if?" scenarios. He was right to do that, but we are in that "what if?" environment because of the situation that we inherited. After 13 years, we have to get £200 billion of new investment coming into the infrastructure. If more decisions had been made to take forward the role of nuclear and not to have the five-year moratorium, we would be significantly further advanced, and the challenging energy situation in the middle of this decade would not have applied in the same way.

My hon. Friend the Member for North Warwickshire (Dan Byles) talked extremely clearly and effectively about the energy security needs that we have to address. It is possible that CCS may not work, or that the price may be too high, but if we do not push the process forward and take advantage of the extraordinary opportunities that we have in this country, we will

always be followers and never be leaders. That is why we have been so keen to take forward that technology.

The hon. Member for Ogmore suggested that decentralised energy may be unable to deliver as much as we hope, and he may be right. However, we are right to try to look at what can be done locally, although we are doing it against the backdrop of how much more should have been done historically. In the end, this all comes back to the broad portfolio of policies that we are putting forward—the need to have clarity on national planning issues, which is exactly what these documents are about, and the need to have clarity on the market structure that will exist.

The hon. Gentleman talked almost as if EMR—the market reform process—was his own idea. Seven months ago, Labour Members were saying that there did not need to be a price on carbon, that there should not be an emissions performance standard, and that we did not need capacity payments. We are having to reinvent a market in order to take us forward and give us the security that we need. This is part of a package. I hope that he is in no doubt about our determination to achieve that and to drive it forward. Let me assure my hon. Friends and all hon. Members that we totally understand everything that needs to be done to drive forward investment in this area. We will take nothing for granted. Our goal is to make this the most attractive place in the world in which to invest in new energy infrastructure. We are determined to do that and we look for consensus and partnership to take it forward. This debate has been a constructive and important part of that process. I hope we can conclude that we have had a good debate on these issues—

7 pm

Motion lapsed (Standing Order No. 9(3)).

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

OFFICIAL STATISTICS

That the draft Official Statistics Order 2010, which was laid before this House on 13 October, be approved.—*(Mr Goodwill.)*

Question agreed to.

Libel Law

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Goodwill.)*

7 pm

Mr David Davis (Haltemprice and Howden) (Con): If the world has a capital of free speech, it is Britain. If it has a centre of free speech, it is this Chamber, as you know well, Mr Speaker. Yet in the last few years, Britain has become a watchword for something else—the use of our libel law to suppress free speech.

This is not an esoteric philosophical issue. Free speech is the mother of freedom of thought and freedom of thought is the mother of many virtues, including integrity, individualism and creativity. That is why Britain has a vigorous and successful tradition of high culture and science, as well as of democracy. As I will demonstrate, all those virtues of British culture have been suppressed, to a greater or lesser extent, by our libel law.

As a Parliament, we have failed to defend one of our nation's primary virtues—free speech. We have also failed in the duty to protect the weak and vulnerable from the rich and powerful. More often than not, it is the rich and powerful who use the libel laws to intimidate the less wealthy and the less powerful, as I shall demonstrate. Perhaps the best demonstration that English libel law has become a weapon of the rich and powerful is the extent to which they choose to use the English courts over any other option and over the courts of any other country. When Boris Berezovsky sued a Russian TV company, he did so not in Russia, where the deed occurred, but in England. Similarly, Roman Abramovich chose to sue an Italian newspaper not in Rome, but in London.

In 2004, the Saudi billionaire, Khalid bin Mahfouz, launched a libel action against Rachel Ehrenfeld, the American author of "Funding Evil: How Terrorism Is Financed—and How to Stop It". The book claimed that Mahfouz financed al-Qaeda. It was not published here, but it was available online. Mahfouz brought the case not in America or Saudi Arabia, but in Britain, and the court awarded him substantial damages. As a direct result, New York law was changed to prevent British judgments applying in the US and American national law is undergoing the same change.

Those rich men each brought their cases under the English judicial system, rather than in the appropriate forum, because English libel law is complex, clumsy, expensive and draconian. It is 140 times more expensive to defend a libel case in England than in other European nations. As a result, it favours the wealthy man who has the most financial stamina and can afford the most expensive lawyers. Although libel tourism is not the most important weakness in English libel law, it is the starkest symptom of how unfair it can be, compared with every other jurisdiction in the modern world.

Perhaps the best domestic example of this grotesquely expensive system is the Naomi Campbell case. A newspaper wrote about her drug problem. It was sued and lost on the grounds of breach of confidentiality. Although the story was true, the legal fees alone cost more than £1 million.

How did all that come about? English libel law was largely developed centuries ago by English judges, as an alternative to duelling to protect the honour of gentlemen.

[Mr David Davis]

I am sure that no Member wants to see Hampstead heath littered with the bodies of dead journalists, but I am not sure how much of an improvement that new law was. It has been compounded with undoubtedly well intentioned European Union and European Court of Human Rights law, and we have ended up with dreadful unintended consequences.

One of the most egregious consequences has been the rise of the so-called super-injunction, which bans any reporting of a case at all. The most extreme of those was the Trafigura case, which you will remember, Mr Speaker. Trafigura was accused of dumping toxic waste on the Ivory Coast, and for a while its lawyers secured a ban on the reporting even of questions in Parliament. In so doing, they overturned the absolute right to free speech fought for and won more than two centuries ago by John Wilkes. That is a suppression of free speech in this country that no one in the House should countenance or tolerate.

There is worse yet: the crushing of free speech in science and medicine. Both those disciplines advance by conjecture and refutation, through the advancing of theories and the testing of them by experiment. Free dispute and unfettered argument are essential to that process. Yet we are witnessing, time and again, the use of English libel law by powerful commercial interests to suppress legitimate discussion of scientific fact and medical effectiveness.

That is not entirely new. A famous member of this House, William Cobbett, was bankrupted by a lawsuit in 1797 after he pointed out that the practice of bleeding victims of yellow fever probably killed a number of them. He fled the lawsuit and the victims continued to be bled, and of course continued to die.

In modern times, the starkest example was the thalidomide case. For some time, *The Sunday Times* was prevented from publishing articles alleging negligence in the manufacture and distribution of the drug, which, as Members will remember, caused terrible deformities in the children of women who took it in pregnancy. That judgment was eventually overruled, and the law was rebalanced slightly to favour free speech in the Contempt of Court Act 1981. Unfortunately, however, there are still actions by commercial companies and other vested interests to suppress criticism of medical products and practices.

I shall give an example. Henrik Thomsen, a Danish radiologist, raised concerns that Omniscan, a drug used to enhance medical scanner images, was causing crippling pain and even death in a few patients. Despite the fact that medicine advances by a process of critical appraisal, the maker of the drug, GE Healthcare, sued him in the British courts, clearly in order to silence him. The suit has been resolved, but another medical specialist, the eminent cardiologist Peter Wilmshurst, has faced similar treatment. At a cardiology conference not in Britain but in Washington DC in 2007, he criticised a product made by an American company, NMT Medical, to deal with symptoms of hole-in-the-heart syndrome. NMT sued Mr Wilmshurst not in America but in the English courts. He courageously decided to fight the case, specifically to defend free speech.

Time and again, commercial companies take such action to silence critics. The proper, responsible, scientific way of dealing with criticism in medicine is tousb present the data and confront the argument. Using the law to silence legitimate criticism is to put shareholder interest above public health and, sometimes, public safety.

The best known case in England, of course, is that of Simon Singh, who essentially called some of the claims of chiropractors bogus. The British Chiropractic Association sued him and, after a protracted legal battle, lost. Nevertheless, he ended up hundreds of thousands of pounds out of pocket in addition to losing two years of his life—two years of stress, anxiety and the prospect of financial ruin. A less courageous man would have buckled, and indeed most do. That, of course, is the purpose: to intimidate critics out of saying anything, or to force a humiliating retraction, effectively gagging the press from reporting such criticism.

The tactics used are carefully refined. They are known as "lawfare" and are designed to focus the financial intimidation on the individual who is least able to bear it. The most recent demonstration of that nasty tactic would be ludicrous—bordering on the farcical—were it not so serious in its wider implications. It involves a product, elegantly called "Boob Job", sold at £125 a jar and produced by a company called Rodial. The *Daily Mail* sought the advice of a leading consultant plastic surgeon, Dr Dalia Nield, of the London Clinic. As one might expect, she questioned its effectiveness and suggested that if it had the physiological effects claimed for it by its producers, it might be dangerous.

Rodial threatened Dr Nield with legal action. It has not threatened the *Daily Mail*, which carried her comments, because it has the resources to fight back, just Dr Nield, to get the maximum intimidation for the minimum risk. The proper response of any self-respecting company would be to publish the detailed composition of its product and the data supporting its claims, and engage experts to test those claims and carry out safety tests. That would be the approach of a respectable company, but I am afraid that Rodial has not taken such an approach—it has taken instead the approach of a charlatan and a bully.

Of course, Rodial is not alone. When NMT threatened Peter Wilmshurst with a lawsuit, it did not threaten the BBC, which broadcast his comments, because the BBC can fight back. When the chiropractors sued Simon Singh, they did not sue *The Guardian*, which published his comments, because *The Guardian* can fight back. That is why it is called "lawfare"—it is the deployment of judicial shock tactics against the most defenceless part of the opposition. It is a disgraceful tactic, and it should not be possible under any decently balanced judicial system.

The effect of "lawfare" is to chill free speech in science, medicine and many other areas. In this age of the internet, that chilling effect does not stop at our borders. We should remember that English is the language of science. The impact of our dysfunctional laws will become more global as more corporations come to understand what they can do to use our laws to suppress criticism.

Fiona Mactaggart (Slough) (Lab): I wanted to highlight the fact that "lawfare" operates not merely in science. My constituent, Hardeep Singh, has been battling for four years in the ludicrously named case of

His Holiness *v.* Singh. He has been accused by a sect leader in the Sikh tradition of libel, and it has taken up four years of his life and thousands of pounds to defend his claim in a religious dispute that, in my view, is not able to be decided by the courts.

Mr Davis: The hon. Lady is entirely right. I used science and medicine to demonstrate the starker effects of "lawfare", but she has demonstrated one of the reasons why we debated the law on religious hatred: to allow unfettered discussion of religion, which is another great tradition of British democracy. I apologise to her constituent because I think of his case as Singh II, but it is just as important as the Singh case I cited, because both demonstrate only too clearly that we must get a grip on British libel law to prevent it damaging every aspect of our culture and tradition of free speech.

That brings me to what we should do. Regrettably, there is no single, simple solution. This week is the first anniversary of the Libel Reform Campaign, which encompasses campaigning organisations such as PEN, Index on Censorship, Sense About Science and others. There are a variety of issues that we need to address.

The cost of defending libel cases should be brought down. One step would be not to remove jury trial, but to introduce a tribunal process to deal with all but the most serious cases. The Minister might also care to tell us about his Green Paper—published a few weeks ago, I think—in which he talks about contingent fee arrangements and their possible reform, which might be another way of reducing costs. The law should focus on protecting individual reputation, without allowing heavy-handed commercial intimidation. One step towards that might be not to allow commercial companies above a certain size—in fact, really rather a small size—to bring such suits unless they can, in advance, demonstrate financial damage.

The public interest defence—again, this is something that the hon. Lady will be interested in—is too vague and unhelpful to authors of legitimate criticism. A stronger and clearer defence than that provided by the so-called Reynolds defence should be instituted. In particular, there should be a broader definition of what constitutes fair comment. In the light of what I have said about scientific and medical concerns, such a definition should be designed to exclude scientific and medical dispute from the courts completely. There should be intelligent limits on what constitutes multiple publication. For a court case to be brought in Britain, a significant proportion—certainly more than 10%—of the publication should have been in Britain. As the House can see, there are many proposals—I have given only a short list—that need to be considered. I should like the Minister to confirm that the Government will be introducing a Bill in 2011; that he will consult Index on Censorship, PEN, Sense About Science and other campaigners before publishing it; and that the Government will correct this unintended and unwanted systemic failure in our judicial system.

I shall finish by quoting the Appeal Court judges in the Simon Singh ruling. Speaking about the words used by Simon Singh in his criticism of the chiropractors, they said that his

> "opinion may be mistaken, but to allow the party which has been denounced…to compel its author to prove in court what he has asserted by way of argument is to invite the court to become an Orwellian ministry of truth."

The judges went on to quote Milton, writing about his visit to Italy, from 1683 to 1689:

> "I have sat among their learned men…and been counted happy to be born in such a place of philosophic freedom, as they supposed England was, while themselves did nothing but bemoan the servile condition into which learning among them was brought…that nothing had been there written now these many years but flattery and fustian. There it was…I found and visited the famous Galileo, grown old a prisoner of the Inquisition, for thinking in astronomy otherwise than the Franciscan and Dominican licensers thought."

When the judges had finished quoting Milton, they said:

> "That is a pass to which we ought not to come again."

I say to the Minister: it is a pass that the coalition Government ought not to allow to come again. To achieve that, we need clearly thought through and thorough reform of this bad law, to put free speech back at the pinnacle of public life in Britain.

7.18 pm

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): I am grateful to my right hon. Friend the Member for Haltemprice and Howden (Mr Davis) for securing today's debate on such an important and contemporary issue. Let me start by confirming that the Government are firmly committed to reviewing the law on defamation in order to protect free speech, and that is reflected in our coalition agreement. My noble Friend Lord McNally confirmed that commitment in July by announcing on behalf of the Government that we will publish a draft defamation Bill for consultation and pre-legislative scrutiny in the first Session of this Parliament, with a view to introducing a substantive Bill as soon thereafter as parliamentary time allows.

Our core aim in reviewing the law is to ensure that responsible journalism, academic and scientific debate and the valuable work of non-governmental organisations are properly protected, and that a fair balance is struck between freedom of expression and the protection of reputation. We want to ensure that the right balance is achieved, so that people who have been defamed are able to take action to protect their reputation where appropriate, but that free speech is not unjustifiably impeded.

Ensuring that the right balance is struck is a difficult and sensitive exercise. It raises complex issues on which a wide range of differing views are likely to be held. In recognition of that, I can confirm to my right hon. Friend that we believe that any reform proposals will need to be the subject of extensive consultation, and that publication of a draft Bill for pre-legislative scrutiny, together with a full public consultation, represents the most effective approach to achieving substantive provisions that focus on core issues of concern where legislation can make a real difference.

Since Lord McNally's announcement, the Ministry of Justice held informal discussions with a range of people and organisations with an interest in defamation law to ensure that their views are taken into account. These included: non-governmental organisations and libel reform campaigners; claimant representatives and members of the legal profession; representatives of the media and the publishing industry; internet service providers and other internet-based organisations; and

[Mr Jonathan Djanogly]

representatives of the science community. I can confirm to my right hon. Friend that they included, as he requested, Index on Censorship, PEN and Sense About Science.

My right hon. Friend featured the position of the science community very strongly in his remarks. It would be inappropriate for me to comment on many of the cases that he mentioned, given that proceedings are pending. I can confirm, however, that we are very much aware of the concerns about the harmful impact that the current law is having on scientific debate. The case of Simon Singh and his brave stand for his beliefs have been widely reported, and I was pleased to hear his position being clearly explained this evening by his MP, the hon. Member for Slough (Fiona Mactaggart). We want to ensure that any provisions that we introduce will help to address those concerns and enable robust scientific and academic debate to flourish without being hampered by the threat of libel proceedings.

The discussions that we held were extremely helpful in identifying areas in which concerns exist and the possible approaches to tackling the difficulties that arise with the current law. We have also had the benefit of being able to consider the range of issues raised in the private Member's Bill on defamation that was introduced earlier in the year by Lord Lester of Herne Hill. That Bill was also the subject of a debate called by my hon. Friend the Member for Maldon (Mr Whittingdale) in Westminster Hall in July this year on behalf of the Culture, Media and Sport Committee, which he chairs. It is good to see him here this evening.

It is not possible for me to indicate today precisely what provisions might be included in the Government's draft Bill on defamation. However, a range of issues have been the subject of much discussion and debate over recent months, and I can confirm that we are giving careful consideration to them, to assess whether it is appropriate to include provisions in the draft Bill. They include the need for a statutory defence relating to the public interest and responsible journalism. Concerns have been expressed by non-governmental organisations, the scientific community and others that there is a lack of certainty over how the common law defence established in Reynolds *v.* Times Newspapers applies outside the context of mainstream journalism, and that this creates a chilling effect on freedom of expression and investigative reporting. This is a complex area of the law, and we are considering whether and how a statutory defence could be framed in a way that is beneficial and appropriate for a range of different contexts.

We are also considering libel tourism. My right hon. Friend gave various examples of that. There is a widespread perception that the English courts have become the forum of choice for those who wish to sue for libel, and that that is having a chilling effect on freedom of expression. I have to say to him, however, that there are mixed views over the extent to which libel tourism is a real problem. Research conducted in the context of the libel working group's consideration of this issue did not show a significant number of actual cases involving foreign litigants in the High Court in 2009. However, non-governmental organisations have indicated that a major problem arises from the threat of libel proceedings by wealthy foreigners and public figures, which is used to stifle investigative journalism, regardless of whether actual cases are subsequently brought—hence the fact that the number of cases alone might not accurately reflect the extent of the problem.

We are considering possible options carefully in reaching a decision on the way forward, including the proposal of the Ministry of Justice libel working group for procedural steps to tighten the rules and practice in order to head off inappropriate claims at the earliest possible stage, in cases where court permission is required to serve a defamation claim outside England and Wales. In doing so, we are of course keeping in mind the fact that there is relevant European legislation—in particular the Brussels I regulation—on jurisdictional matters.

We are also considering the difficulties caused by the "multiple publication rule"—whereby each publication of defamatory material gives rise to a separate cause of action subject to its own limitation period—in relation to online material. The effect of the rule is that publishers are potentially liable for any defamatory material published by them and accessed online. That applies however long after the initial publication the material is accessed, and whether or not proceedings have already been brought in relation to the initial publication. We are considering how we could frame a single publication rule to remove the current threat of open-ended liability.

We are also considering a range of other aspects of the law. They include the possible need for provisions on renaming and codifying the existing defences of justification and fair comment; on the basis on which an action for defamation can be brought and whether it should be necessary for claimants to show that they have suffered substantial harm; on the ability of corporations to bring defamation actions; on trial by jury; on defamation in the context of internet publication; and on issues relating to absolute and qualified privilege. There is much ground to cover

My right hon. Friend asked about the use of super-injunctions. I can tell him that the Master of the Rolls has set up a committee to examine their use. We look forward to seeing the outcome of its work soon.

We are pressing ahead with our work to ensure that publication of the draft Bill and the accompanying consultation paper takes place on as timely a basis as possible in the new year. As well as considering the substantive law, we are determined to ensure that costs in all civil proceedings, including defamation, are proportionate. In that context, the Secretary of State for Justice announced to the House on 15 November that the Government were consulting on proposals for reform of civil litigation funding and costs in England and Wales. We are seeking views on the implementation of a package of recommendations made by Lord Justice Jackson in his "Review of Civil Litigation Costs". The Government are grateful for Sir Rupert Jackson's report, in which he argues cogently that the costs of civil litigation are too high and are often disproportionate to the sums at issue. I also accept his fundamental argument that achieving proportionate costs and promoting access to justice go hand in hand.

The key proposal on which we are consulting is the one to abolish recoverability of success fees and "after the event" insurance premiums under conditional fee agreements. Defendants who lose their cases are currently liable for those additional costs, which are often substantial. Abolishing recoverability would mean that claimants

had to pay their lawyers' success fees, and would therefore take an interest in the costs being incurred on their behalf. It is clear that if the current situation continues, and claimants continue to have no interest in the legal costs of their own lawyer if they win or in those of the defendant's lawyer if they lose, the "have a go" compensation culture can only grow.

As well as consulting on that key proposal for reform of CFAs, we are seeking views on implementing a package of Sir Rupert's recommendations that balances measures for defendants with measures affecting claimants. They include introducing qualified one-way cost shifting, increasing general damages by 10%, strengthening part 36 arrangements, which encourage parties to make and accept reasonable offers, and allowing damages-based agreements in civil litigation, otherwise known as contingency fees. It is hoped that the proposals will result overall in more proportionate costs in all civil proceedings including defamation, while enabling those who need access to justice to obtain it. The consultation on reform of civil litigation funding and costs closes on 14 February 2011, and in due course the Government will publish a response setting out the next steps.

I hope that I have reassured my right hon. Friend and other colleagues that we are taking focused and proportionate action that takes account of many of the issues involved. I believe that it is very important to ensure that the law achieves a fair balance between freedom of expression and the protection of reputation, and that steps are taken to bring the cost of proceedings under control. I thank my right hon. Friend again for the valuable contribution to the ongoing debate on these issues that he has made today.

Question put and agreed to.

7.29 pm

House adjourned.

Deferred Division

CONSTITUTIONAL LAW

That the draft Scottish Parliament (Elections etc.) Order 2010, which was laid before this House on 25 October, be approved.

The House divided: Ayes 317, Noes 212.

Division No. 135]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Field, Mr Mark
Foster, Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hermon, Lady
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Knight, rh Mr Greg
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, Mr James
Paisley, Ian
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, Dr John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Stanley, rh Sir John

Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

NOES

Abbott, Ms Diane
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Crausby, Mr David
Creagh, Mary
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harris, Mr Tom
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Keeley, Barbara
Keen, Alan
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Soulsby, Sir Peter
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Question accordingly agreed to.

House of Commons

Thursday 2 December 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Sustainable Local Transport

2. **Julian Smith** (Skipton and Ripon) (Con): What steps he is taking to encourage sustainable local travel. [27881]

6. **Andrew Bridgen** (North West Leicestershire) (Con): What steps he is taking to encourage sustainable local travel. [27886]

The Secretary of State for Transport (Mr Philip Hammond): Our commitment to sustainable local travel is evidenced by our decision to establish a £560 million local sustainable transport fund. We will shortly set out the criteria for bidding for the fund, and we will publish a White Paper next month setting out the policy initiatives that we will take forward in supporting local authorities to deliver sustainable local travel.

Julian Smith: I thank the Secretary of State for that answer. One of the biggest concerns for many people in rural constituencies such as mine is the future of local bus services. What reassurance can he give to my constituents that the particular needs of rural communities will be truly taken into account in the new funding formula?

Mr Hammond: It is not a new funding formula. The local sustainable transport fund is a fund to which local authorities can submit bids, so if they have innovative schemes to support rural bus services they will be able put in bids to the fund. The Minister for Local Transport, my hon. Friend the Member for Lewes (Norman Baker), has been working with bus companies and the Local Government Association over the past few weeks to ensure that the guidance to local authorities on the distribution of funding for concessionary fares does protect rural bus services, and he has achieved a major advance in ensuring that rural bus services are protected.

Andrew Bridgen: In a constituency such as mine, which consists of towns and many villages but no railway station, the local bus service is absolutely essential in ensuring that our villages remain vibrant hubs and do not become merely dormitories. Does the Minister have any plans to review the 90% law, whereby the local authority has to provide access to a bus service for only 90% of the population?

Mr Hammond: We have no plans to review the rule.

Maria Eagle (Garston and Halewood) (Lab): Local transport and the bus service, in particular, is essential for many people, and of course it needs to be sustainable, but does the Secretary of State agree that cuts of 20% to the bus service operators grant will not only lead to fewer bus services and higher fares, but push people back into their cars and, therefore, do nothing for sustainability?

Mr Hammond: No, I do not. The hon. Lady will recall that prior to the spending review there was a great deal of speculation that the bus service operators grant would be abolished altogether, and the bus service operators warned of significant fare increases and cuts to services if that were to happen. I am pleased to say that we were able to achieve a cut of only 20% in the BSOG, and the operators indicate to us that that should not lead to a loss of services or to significant fare increases.

South London Line

3. **Simon Hughes** (Bermondsey and Old Southwark) (LD): What recent discussions he has had with the Mayor of London on the future of the South London line. [27882]

The Secretary of State for Transport (Mr Philip Hammond): There have been no recent discussions between the Department for Transport and the Mayor of London regarding the South London line. We are aware that officials from Transport for London have been discussing their plans to mitigate the loss of the South London line service, following its replacement with the new East London line services through Southeastern.

Simon Hughes: The Secretary of State's announcement last week about London Bridge and Thameslink is hugely welcomed by all our communities, but the one qualification, of which he is probably aware, is that it might have an adverse impact on use of the South London line. Will his Department be positive and constructive with the Mayor of London and local authorities to see whether we can resolve the one remaining piece of the jigsaw-problem, so that everybody can be 100% happy—rather than just 90% happy with a little way to go?

Mr Hammond: I am aware of the concerns about the loss of the South London line service. As my hon. Friend knows, the Mayor of London asked for the alternative proposal of a Victoria to Bellingham service to be dropped in favour of providing additional financial support to the East London line extension, but I am very happy to talk to my hon. Friend and to other hon. Members who are concerned about the matter to try to ensure the best possible provision of services within the constraints that will exist at London Bridge and Clapham Junction.

Mr John Spellar (Warley) (Lab): May I express my astonishment that the Secretary of State has not had a discussion with the Mayor of London about the chaos on London's transport and, indeed, throughout the country? Will he tell the Mayor to stop swanning around

in Switzerland, get back here and get a grip? When will he and the Minister get a grip on the transport chaos in this country?

Mr Hammond: The question was about the South London line and my answer was that I had not had any recent discussions with the Mayor of London on that issue. I do, of course, have regular discussions with the Mayor of London on all sorts of subjects and will continue to do so. I suspect that the right hon. Gentleman is out of touch with the mood of the British public, who are concerned to make the best possible fist of Britain's bid for the 2018 World cup.

Cycling

4. **Caroline Lucas** (Brighton, Pavilion) (Green): What steps his Department is taking to promote cycling as a means of transport. [27883]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): We set out our commitment to sustainable local travel, including cycling, in our decision to establish a local sustainable transport fund.

The spending review made available £560 million over four years. It will be for local partnerships—local transport authorities working with their communities—to identify the right solutions for their areas in bidding for funding. Bids involving cycling will be well placed to capitalise on the objectives of the fund to help create growth and cut carbon.

Caroline Lucas: The axing of the highly cost-effective body, Cycling England, wiped out the arrangement whereby money was effectively channelled into school and workplace projects that are run by charities such as Sustrans and CTC. What is the Minister's plan B to ensure that cycling charities and campaigning groups, such as those in my constituency, can continue to work with schools and businesses to deliver cycling's many benefits? How will he know if that plan B is working?

Norman Baker: I am happy to say that Bikeability, one of the main schemes delivered by Cycling England, has been retained at a national level. Funding for it will be top-sliced from the local sustainable transport fund. We are in regular contact with organisations such as Sustrans to ensure that they are plugged in. I assure the hon. Lady that bids to the local sustainable transport fund will be regarded more favourably if they have involvement from voluntary community groups, such as the one that she has described.

Martin Horwood (Cheltenham) (LD): The cycle to work scheme has involved some 400,000 people over the past decade. It was recently put in jeopardy by a ruling of Revenue and Customs. What representations will Ministers make to their Treasury colleagues to ensure that that important scheme is not jeopardised?

Norman Baker: I am aware of the value of that scheme in encouraging cycling. I have received representations from hon. Members about the scheme, but I hope that the concerns are unfounded. I assure my hon. Friend that I wrote to the relevant Treasury Minister three or four weeks ago. I will ensure that he receives a copy of the reply.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): The hon. Member for Brighton, Pavilion (Caroline Lucas) made a very good point about people's concerns over the responsibilities of Cycling England being returned to the Department. The accepted wisdom is that cycling is good for health, reduces congestion and reduces emissions. There has been an explosion in cycling, partly because of the £140 million that was pledged by the previous Government for 2008 to 2011. However, there are anxieties about the future of cycling. Will the Minister be more specific about how the Government will monitor the amount of money that is available and the effectiveness of the spend, because the concern, as the hon. Lady said, is that the Department has taken its eye off the ball?

Norman Baker: I am happy to assure the hon. Gentleman that the Department has not taken its eye off the ball. Cycling was mentioned as a priority in the coalition agreement and £560 million is a substantial amount of money for a local fund, by any degree. Bikeability is being retained. On monitoring, we will ensure that public money that is allocated to local authorities is well spent. Indeed, we are sponsoring a new indicator to measure the response that we get to money that is spent on cycling.

Stella Creasy (Walthamstow) (Lab/Co-op): I wish that I had got on my bike to get here this morning, rather than relying on Transport for London. I am sure that all hon. Members agree that it is vital that young people learn how to cycle. Will the Minister therefore clarify what has happened to the £5 million of Bikeability funds that he claimed previously would be administered through school sport partnerships, now that those are being abolished?

Norman Baker: There is £11 million for Bikeability in this financial year, which is available to local highways authorities and school sport partnerships. Bikeability funding will continue for the rest of the Parliament, as we have indicated. We are funding 275,000 Bikeability level 2 training places for children this year and a further £500,000 is available in bursaries for the training of cycling instructors. It is clear that our commitment to cycling is undimmed and that we have a plan in place to deliver on that.

Local Authority Transport Schemes

5. **Lilian Greenwood** (Nottingham South) (Lab): What recent discussions he has had with local authority leaders on the future of funding for major local authority transport schemes. [27884]

The Secretary of State for Transport (Mr Philip Hammond): Officials have written to all relevant local authorities, enclosing the document "Investment in Local Major Transport Schemes", which was made available to Members of this House on 26 October and which sets out the position on the future funding of major schemes. Detailed discussions are ongoing.

In the longer term, I have made a commitment to consider the options for a much greater devolution of capital budgets and prioritisation decisions for local major schemes and will in due course discuss the best way forward with local authorities and local enterprise partnerships once they are established.

Lilian Greenwood: I thank the Secretary of State for that answer. As he knows, there is deep concern about the decision to postpone improvements to the A453 in Nottinghamshire. There is an appetite locally, across all parties, for exploring ways to retrieve the situation, and it has been suggested that a regional growth fund bid could be made to contribute to the cost. Would the Secretary of State welcome such an approach? Will he facilitate the participation of the Highways Agency in assisting local partners to explore such a possibility?

Mr Hammond: As the hon. Lady knows, the A453 is a Highways Agency scheme and not, strictly speaking, a local authority major scheme. It is not the kind of scheme that was primarily intended to be a beneficiary of the regional growth fund.

I have written to the hon. Lady on this subject and indicated that we will be looking at Highways Agency schemes that are not currently prioritised for commencement in this spending review period, with a view to identifying those that will be accelerated as first reserves, as it were; inevitably, programmes sometimes slip and there is a requirement for additional schemes. We will be looking at that in the new year.

Mr Adrian Sanders (Torbay) (LD): Would the Secretary of State be willing to meet the local authority leaders of Devon, Torbay and Teignbridge, who are united in wanting to see improvements to the A380—namely, the south Devon link road and a bypass around Kingskerswell?

Mr Hammond: I understand that the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker), has already met local authority leaders in the area. If I could give my hon. Friend the Member for Torbay (Mr Sanders) a piece of advice, it would be that he and his local authority colleagues need to work on the scheme with a view to getting the cost down, so that the total cost-benefit ratio improves. That will make it much more likely that the scheme will be able to be funded from central Government funds.

Graham Stringer (Blackley and Broughton) (Lab): Unlike other spending blocs, the gap between spending in the south-east and the rest of the regions has been increasing over the past 10 years. If there is to be real investment in major schemes in our major regional cities, that gap will have to be closed. What plans does the Secretary of State have to close that gap?

Mr Hammond: As the hon. Gentleman will know, the Government have committed themselves to a public consultation in the new year on the High Speed 2 rail scheme. They have allocated £750 million-worth of funding to take that scheme forward during the current spending review period.

That project—a strategic investment project—will more effectively close the gap between north and south and address the issues of differential economic growth rates than any other regional initiative that has been taken in the past couple of decades. I hope that the hon. Gentleman will welcome the commitment that the Government are making to that project, despite strong opposition to it in the southern half of the country.

Paul Maynard (Blackpool North and Cleveleys) (Con): Does the Secretary of State agree that notwithstanding the benefits of high-speed rail, the only way really to improve the north's economic performance in the here and now is to improve connectivity within the north through projects such as the northern hub? Does he agree that that will require not just Government support, but effective regional strategic planning, which we have not seen so far?

Mr Hammond: My hon. Friend has been a passionate advocate of the northern hub since long before his election to the House. He has made the case and continues to make it powerfully. It is a very important project. Network Rail is taking forward work on the northern hub proposal with a view to considering its inclusion in the next financial control period, starting in 2014.

I agree with my hon. Friend. Projects of that nature realise their full potential only if they are properly integrated, with wider regional policies being adopted.

Road Safety

7. **Paul Blomfield** (Sheffield Central) (Lab): What assessment he has made of the effects of reductions in road safety grants and the ending of Government funding for speed cameras on the number of road traffic (a) accidents and (b) fatalities. [27888]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): No assessment has been made about the effect on road accidents that may result from changes to road safety grants. The Government continue substantially to fund local transport in local authorities, including for road safety. Speed camera operations can still continue if the local authorities decide that they wish them to do so.

Paul Blomfield: Frankly, I am shocked to hear the Minister say that no assessment has been made regarding the consequences of significant cuts to capital and revenue funding and the ending of specific ring-fencing for local authority road safety grants at a time when local authorities are going to be under unprecedented financial pressure. I urge the Minister to think again about the dangerous consequences of the lack of priority that the Government are giving to road safety.

Mike Penning: Especially as an ex-fireman, I can assure the hon. Gentleman that road safety is paramount for this Government. That is why I am taking this forward in uch strong ways, particularly with local authorities. It is for local authorities, not central Government, to decide what is best for their communities. Speed cameras have been beneficial in some parts of the country, but they have also been seen as cash cows. It is for local authorities to decide, and we will work with them.

Bob Russell (Colchester) (LD): May I draw the Minister's attention to early-day motion 1084, tabled by me and co-sponsored by two former road safety Ministers, one Labour and one Conservative? The EDM welcomes a report from the RAC Foundation which confirms that each year the presence of speed cameras prevents 800 people from being killed or seriously injured. In the light of that, will the Minister give more credit to speed cameras, because they do save lives?

Mike Penning: I pay credit to the work that my hon. Friend has done over many years on road safety. The truth of the matter is that some speed cameras do

fantastic work, and some do not. In local authority areas such as Swindon, where speed cameras have been stopped altogether, there has been no indication of an increase in accidents since they have gone. It is for local authorities to decide, and we will work with them, but the public must be with them when it comes to speed cameras. The public must, whatever happens, be confident that speed cameras are there for the right reason.

Andrew Gwynne (Denton and Reddish) (Lab): The Minister has said:

"We would expect that road safety would remain a priority for local communities and that local spending would reflect that."

The RAC calculates that speed cameras save 70 lives a year. Can the Minister tell the House how it is supposed to ensure that road safety remains a priority when his Government are cutting funding to local government by more than 30%? Is not the truth that ending Government funding for speed cameras is nothing to do with dictating priorities to local government but all about them making cuts to vital road safety measures that he does not wish to defend?

Mike Penning: The shadow Minister is better than that; he knows full well that some speed cameras work very well and some do not. The pre-2004 speed cameras in many areas, including my own, where the money was hypothecated straight back to the local authorities, were there to raise cash, not necessarily to prevent accidents. It is up to local authorities to use the money that has been given to them by central Government for their communities. It is for them to decide, not central Government.

Thameslink

9. **Gavin Shuker** (Luton South) (Lab/Co-op): What steps he is taking to ensure that the Thameslink project is completed on time. [27890]

The Secretary of State for Transport (Mr Philip Hammond): As I confirmed on 25 November, the Thameslink programme will go ahead in full. To improve delivery confidence, we will defer completion of the full programme, allowing 24 trains per hour in each direction, until 2018. This will reduce both cost and risk, particularly in respect of the reconstruction of London Bridge station. Passengers will start to see benefits from December 2011, when works at Blackfriars will be completed, and some 12-car trains will start to run from Bedford through to Brighton.

Gavin Shuker: As the Secretary of State will be aware, many of my constituents are struggling to get into work this morning on the existing rolling stock. New rolling stock is therefore vital as part of the Thameslink upgrade. Would he be willing to share the time scales for delivery of such rolling stock and place the information on record in the House?

Mr Hammond: It is expected that the new Thameslink rolling stock —1,200 vehicles —will start to be delivered in 2015, and delivery should be completed by 2019.

Stephen Barclay (North East Cambridgeshire) (Con): As part of completing the Thameslink project, will my right hon. Friend ask officials to look at the cost benefit of extending the line beyond Cambridge to include areas such as Ely and Littleport on the way to King's Lynn, because the service is planned to stop at Cambridge, yet the cost of electrification beyond there would be £60 million to £80 million out of a £5.5 billion overall cost?

Mr Hammond: There are no plans to look at further extension of the Thameslink programme during the current control period but, as my hon. Friend will know, the next Network Rail control period begins in 2014, and proposals for infrastructure enhancements to the network beyond 2014 will be looked at and evaluated over the next couple of years.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is apparent that the Thameslink project is essential for the cascading of rolling stock to the north. Can we be assured that that rolling stock will be of good quality and not simply cast-offs from Thameslink? How will the Secretary of State's statement about delays on Thameslink affect the north getting good-quality rolling stock to relieve overcrowding?

Mr Hammond: As the hon. Lady knows, the cascading of rolling stock from First Capital Connect's existing operations to the north-west depends on the completion of the electrification programme in the north-west, which, as I indicated last week, is expected to be completed in 2016. By that time, rolling stock will have become available, so this does not involve any further delay. In terms of the quality of the stock, it is not, of course, new rolling stock, but it is good quality, with a significant remaining life expectancy.

Station Improvements

11. **Nigel Adams** (Selby and Ainsty) (Con): What plans he has for the future funding for the national station improvement programme and access for all grants. [27893]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): We intend to proceed with funding the £150 million national stations improvement programme to modernise approximately 150 medium-sized stations in England and Wales between 2009 and 2014. Similarly, we intend to proceed with the £370 million programme to improve access at stations in England, Scotland and Wales between 2006 and 2015.

Nigel Adams: The Minister will be aware that Selby railway station in my constituency does not have a passenger lift facility—its three platforms are currently connected by a wooden footbridge. What can the Minister tell my disabled or elderly constituents who are currently unable to use one of the platforms, thereby restricting their journeys somewhat, about the funding application for a passenger lift at the station?

Norman Baker: Selby station dates from a time when mobility was considered differently—indeed, I think it was the first station opened in Yorkshire, although presumably another was opened at the same time for trains to arrive at. I appreciate that that can present barriers to access for disabled people. Selby has already benefited from around £36,000 of small schemes funding

towards automatic doors, customer information systems and non-slip flooring. Although I cannot guarantee the outcome of a future application for funding, we will give fair and full consideration to any proposal to create level access to platforms 2 and 3.

Roads (Essex)

12. **Priti Patel** (Witham) (Con): What recent representations he has received on future expenditure on roads in Essex; and if he will make a statement. [27894]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I have received correspondence from four hon. Members as well as from Essex county council about investment on the A12.

Priti Patel: Is the Minister aware of the "Save Lives Not Time" petition in my constituency? It calls for improvements to the A120 between Braintree and Marks Tey, particularly in respect of the need to reduce speed on that road, which—as he may know—is described by the Road Safety Foundation as the 10th most dangerous single carriageway in England. My constituents would welcome a commitment from the Department to work with our local community to improve that road so that lives can be saved.

Mike Penning: I know that part of the world very well, particularly the A12 and the A120, and I know how dangerous the section of road to which my hon. Friend refers is. The Department will work with the campaign that she is working hard to pursue. My officials are listening, so they will know that they are to work with Essex county council and other officials to make that road safer.

Sustainable Local Transport

13. **Mr David Amess** (Southend West) (Con): What steps he is taking to encourage sustainable local travel. [27895]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): Our commitment to sustainable local travel is evidenced by our decision to establish a £560 million local sustainable transport fund. We will shortly set out the criteria for bidding for the fund and will publish a White Paper next month setting out the policy initiatives that we will take forward in supporting local authorities in delivering sustainable local travel.

Mr Amess: Like most cycle networks in the country, ours does not best meet the needs of our local centenarians. Our ageing population very much depends on buses. Given that the bus companies are asking for subsidies and that the local authority has no money, can the Government help?

Norman Baker: I think the local sustainable transport fund helps directly. The hon. Gentleman made a connection between elderly people and cycling. When I was in Holland, I was interested to find out that 75% of journeys by pensionable persons were taken by bike, so we have some way to go in this country. The fund, which is designed to create growth and cut carbon, is well positioned to receive bids that will enhance cycling provision in Southend and elsewhere.

Mr Clive Betts (Sheffield South East) (Lab): The Minister is aware that there is a proposal for a national trial for a tram-train in south Yorkshire, which would help to get people out of their cars and on to public transport. When I asked the Secretary of State last week about the status of that project, I believe that he said it was on his desk pending a decision. Can the Minister now enlighten the House on whether a decision has been taken to go ahead with that nationally important pilot project?

Norman Baker: The details of that particular scheme are still being worked out, but I can tell the hon. Gentleman that discussions on it have involved me, the Secretary of State and the Transport Minister, who has responsibility for rail. Enabling tram-train to go ahead could provide an important benefit to public transport. We want to get the details right, so no firm decision has yet been taken.

Low-emission Vehicles

14. **Andrew Selous** (South West Bedfordshire) (Con): What steps he is taking to encourage greater use of low-emission vehicles. [27896]

The Secretary of State for Transport (Mr Philip Hammond): Decarbonisation of motor transport is one of my key priorities. The recent spending review announced that the Government have made provision of over £400 million for measures to promote the uptake of ultra-low carbon vehicle technologies. These measures include support for consumer incentives, development of recharging infrastructure, and a programme of research and development work.

Andrew Selous: When does my right hon. Friend expect that it will be an economically rational decision for most people to buy a low-emission vehicle?

Mr Hammond: I am pleased to tell my hon. Friend that with the benefit of the Government's consumer incentive of up to £5,000 a vehicle, it will be an eminently rational decision for anyone to start purchasing an electric vehicle from next February, when they appear on the UK's roads. The cost per kilometre of running an electric vehicle that is charged overnight with cheap-rate electricity will be between 1p and 3p, which compares favourably with the price of petrol.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his response. Is he aware of the application that the Department of the Environment and the Department for Regional Development in Northern Ireland have submitted to the Office for Low Emission Vehicles regarding the plugged-in places vehicle initiative, which would promote an infrastructure in Northern Ireland for electric vehicle charging? What is the status of the application, and may I request that he gives it his support?

Mr Hammond: We are evaluating the bids that we have received for the second round of the plugged-in places programme and an announcement will be made in the new year.

Bus Services

15. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent assessment he has made of the effects of the outcomes of the comprehensive spending review in respect of the bus service operators grant on local bus services and fares. [27897]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): We estimate that the 20% reduction in bus service operators grant from 2012-13 would lead to a potential increase in average fares of around 1.5%. However, the bus industry is hopeful that, in general, this reduction could be absorbed without fares having to rise.

Diana Johnson: The Secretary of State for Work and Pensions has told people to get on the bus to look for work. What does the Minister say to my constituents in Kingswood and Bransholme, which are on the outskirts of Hull, who are looking for work, but are worried that the cuts that are being implemented will lead to a reduction in the less profitable bus services, as well as higher fares for people who are struggling already?

Norman Baker: We want to see more people on buses but, as I have indicated, the reduction in BSOG is less than the average reduction in the Department's revenue budget, which recognises the importance of the bus network. When I spoke to the industry following the spending review announcement, it indicated that the cut was so minimal that it hoped that it could absorb it without fares having to rise, which is what we hope will happen.

Train Overcrowding

16. **Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): What steps his Department is taking to reduce overcrowding on trains. [27898]

The Secretary of State for Transport (Mr Philip Hammond): An additional 650 carriages will be delivered to the rail network between 6 May 2010 and March 2014. In addition, about 600 new carriages for the Crossrail project and up to 1,200 new carriages for the Thameslink programme will be delivered between 2015 and 2019, releasing large amounts of rolling stock for redeployment on other lines to increase capacity.

Jonathan Reynolds: I thank the Secretary of State for that answer. The growth in the northern economy over the past 10 to 15 years has heralded a significant rise in rail travel. Passenger growth in my region is set to rise further still, and that is particularly the case in constituencies such as mine that lie on or near the edge of major conurbations. In light of that, and following on from his response to the hon. Member for Blackpool North and Cleveleys (Paul Maynard), what assessment has he made of the benefits that the northern hub could bring to the northern economy by relieving overcrowding and putting in place faster and more frequent trains?

Mr Hammond: As I said in response to my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), the northern hub is an interesting and potentially valuable project. Network Rail is evaluating the project, but until we have a proper engineering scheme with a cost attached, it is clearly impossible to carry out a robust cost-benefit analysis. Once we are in a position to produce that, we will be able to examine the scheme properly for prioritisation in the control period 5 investment programme.

Simon Kirby (Brighton, Kemptown) (Con): Is the Secretary of State aware that—with the possible exception of today—trains from Brighton to Victoria are often very overcrowded?

Mr Hammond: Yes, of course I am. The Thameslink project will deliver relief on lines across London from north to south and to Brighton, and will hopefully relieve part of the problem on the Brighton-Victoria line to which my hon. Friend refers.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Does the Secretary of State agree that electrifying the Great Western main line would be one way of increasing capacity, especially in south Wales?

Mr Hammond: I do not believe that electrification will deliver increased capacity; there is capacity on the main line now. I told the House last week that we will work with the Welsh Assembly Government to build and validate the business case for electrification of the Great Western main line into south Wales. I spoke to the Deputy First Minister late last week, and such work between officials in the two Governments is now ongoing.

Joseph Johnson (Orpington) (Con): Will the Minister undertake a review of overcrowding and value for money in general on commuter trains run by Southeastern to Orpington, which, uniquely in the country, has been saddled with a retail prices index regime of RPI plus 3 over recent years?

Mr Hammond: The faster rate of fare increases on Southeastern is, as my hon. Friend knows, related to the introduction of the high-speed Javelin trains, which have managed to continue running very effectively during the current period of weather disruption. We are reviewing value for money on the rail network as a whole. Sir Roy McNulty is conducting that review, and I will publish his interim findings shortly, and a final report in April next year.

Topical Questions

T1. [27872] **John Mann** (Bassetlaw) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Transport (Mr Philip Hammond): Since I last answered Transport Questions, I have confirmed that Thameslink will go ahead in its entirety and announced £900 million-worth of rail electrification projects and 2,100 new rail carriages. I have also announced the sale of a 30-year concession on High Speed 1 for £2.1 billion.

John Mann: Since the last Transport questions, I have corrected the Minister with responsibility for roads: there have been 27 collisions at Elkesley on the A1 in the past five years. When will the Minister press the button

to start this scheme, which is designed and ready to go, so that we can save lives by building the bridge at Elkesley?

Mr Hammond: The hon. Gentleman knows that road schemes are evaluated on a cost-benefit basis. Accident figures are one of the factors taken into account and built into the analysis, but we will always look at the cost-benefit analysis—the overall benefits that the scheme will bring, compared with the costs—and all schemes have to be looked at fairly and objectively in the light of the limited funding available.

T2. [27873] **Tony Baldry** (Banbury) (Con): Prodrive is one of the most cutting-edge and significant companies in my constituency. It does excellent work on automotive engineering, including producing a new generation of Mini rally car. What are the Government going to do to make it easier for rallying to take place on roads in the UK?

The Parliamentary Under-Secretary of State for Transport (Mike Penning): Legislation dating from the 1930s restricts rallying, time trials and races on highways in the UK. An Act of Parliament would be required to change that. We are looking to deregulate the position so that if local authorities want to hold rallies, time trials or races, they should be allowed to do so.

Maria Eagle (Garston and Halewood) (Lab): The winter resilience review commissioned by the previous Government has produced its final report and recommendations, yet the country is in chaos, with passengers forced to sleep at stations, freezing all night on broken-down trains or getting trapped in their cars, all at a cost to the economy of up to £1.2 billion a day. Why are not the findings of the review being implemented? The public do not want the Secretary of State to announce another review by the person who has already set out the blueprint for improvements. They want him to get on and implement the recommendations and improvements. When is the Secretary of State going to get a grip?

Mr Hammond: First of all, the hon. Lady fails to recognise the scale of the weather event that is occurring. It involves a significantly bigger snowfall than the one that occurred earlier this year, which gave rise to the events that caused my predecessor to commission the review. The findings and recommendations of the review have been implemented, and I have asked David Quarmby to come back and audit their implementation so that we can see the extent to which they have been consistently implemented and whether there are any lessons that we can learn from the last few days. I hope that the hon. Lady will support that approach.

T4. [27875] **Robert Halfon** (Harlow) (Con): Thousands of my Harlow commuters have been braving the weather to travel on the Harlow to London rail line. They have suffered a 30% increase in train overcrowding in recent years. Will the Minister look at the economic benefits of upgrading the West Anglia main line?

Mr Hammond: As my hon. Friend will know, 176 additional carriages are due to be delivered to the Greater Anglia franchise next year. That will assist with overcrowding overall. In regard to the upgrading of the line, I have said in response to other questions today that we are prepared to look at proposals for further network enhancements as possible investments for control period 5, which begins in 2014.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Secretary of State aware that the answer given just a few minutes ago by the road safety Minister is probably the worst answer I have heard in this House in 31 years? Professor Richard Allsop, an acknowledged world expert on transport safety, says that 800 people will die because of the Government's policy on speed cameras. Is the Secretary of State going to just sit there and let that happen?

Mr Hammond: No, and I completely reject the analysis. As the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), has said, speed cameras are useful additions to the road safety armoury in some locations. It is for local authorities to decide whether they wish to continue with speed camera operation. I hope that they will act responsibly and carefully in making those decisions.

T5. [27877] **Mr John Baron** (Basildon and Billericay) (Con): The Secretary of State is right to consider the introduction of automatic number plate recognition technology at the Dartford crossing to ease congestion. Given that the crossing makes some £45 million a year, would it not be better to consider the effect of how the new technology improves congestion before increasing toll charges to help fund a new crossing?

Mike Penning: My hon. Friend has campaigning for many years to get the tolls removed from the Dartford river crossing, but we need the investment not only for vehicle recognition, so that we can have free flow coming through and the realignment of the road, but for the preliminary work for the new crossing.

Clive Efford (Eltham) (Lab): In the Secretary of State's response to the resilience review, he stated that he was dissatisfied with previous performance and the level of disruption and that it would be sorted in time for this winter. What went wrong? His response just now was not good enough. It is not good enough just to say that there has been a bit extra snow.

Mr Hammond: Let me make this clear: when we have extremely heavy snow and extremely low temperatures, there will be disruption to the transport system. The question is not about whether there is disruption. The question we now have to ask is whether anything could or should have been done that was not done. If there is anything, we will learn the lessons from that.

In the events earlier this year, the problem was that local authorities and the Highways Agency had inadequate supplies of salt and grit. We have more than adequate supplies of salt and grit and we have new equipment out on the strategic road network. Six runs per day across the strategic road network have been going on over the past 48 hours. The strategic road network, with one or two specific exceptions, is open and operating today.

T7. [27879] **David Rutley** (Macclesfield) (Con): Will my right hon. Friend tell the House when he will be able to give further details on any impact the extension of High Speed 2 to Manchester will have on existing rail services, including those from Manchester to Euston, which make an important stop at Macclesfield?

Mr Hammond: My hon. Friend is right to observe that the introduction of HS 2 services in 2025 will of course change the nature of operations on the west coast main line. It will create additional capacity on that line and provide the opportunity for more trains that stop at more places, which is one of the demands that we regularly receive, and it will also create the opportunity for more freight paths and thus more transfer of freight from road to rail. The precise detail of service patterns will have to be decided when the franchise for west coast main line post-2025 is let.

Mr Dennis Skinner (Bolsover) (Lab): Instead of all these reviews about the weather, why does not the Secretary of State get on the phone to the Tory councils in Nottinghamshire and Derbyshire and tell them to get the gritters out?

Mr Hammond: I can tell the hon. Gentleman that gritters on the strategic road network, which are operated by the Highways Agency, have been out and have been carrying out the planned number of gritting runs.

Mr Skinner: I am talking about villages.

Mr Hammond: The hon. Gentleman says he is talking about villages. One thing I have asked David Quarmby to do is to consider the response of local authorities, whether they have uniformly implemented the recommendations in his review, which reported earlier this year, and what lessons have to be learned. I shall make public David Quarmby's findings, which we expect to receive in a couple of weeks' time.

Mr John Leech (Manchester, Withington) (LD): May I urge the Secretary of State to ignore today's report from the Select Committee on Transport on the North review in the same way as the report ignored conclusive evidence that reducing the drink-drive limit would save lives? Instead, will he bring forward proposals to reduce the drink-drive limit from 80 mg to 50 mg?

Mr Hammond: I have not seen the conclusive evidence that the hon. Gentleman speaks of, but I have seen various opinions in this area. I have not yet read the Transport Committee's report but I have to say to him that I am a little surprised to hear him, as a member of that Committee, urging me to ignore its report and findings. Part of our democratic process is to have our debates in the Committees and to get behind their findings and reports when they are published.

Joan Walley (Stoke-on-Trent North) (Lab): Can the Secretary of State update the House on progress following the consultation on the safety at street works and road works code of practice? More than 500,000 people are working on the highways unprotected, and we need new legislation to be able to get new jobs, which could be based in areas outside the south-east.

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I am happy to say that we are having discussions in the Department with relevant bodies outside, including the roadworks community, to work out how best to go forward and ensure that we get the balance right between improved safety, where that is appropriate, and not loading inappropriate costs on business.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Female Company Directors

1. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What plans she has to increase the number of female company directors. [27900]

The Minister for Equalities (Lynne Featherstone): I offer the apologies of the Minister for Women and Equalities to you, Mr Speaker, and to the House. She cannot attend questions today as she is in Brussels for a meeting of the European Union's Justice and Home Affairs Council. The Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Basingstoke (Maria Miller), who is responsible for disabled people, and I will endeavour to field questions.

Lord Davies has been appointed to consider how obstacles can be removed to allow more women to make it to the boardroom, and we will respond to his recommendations in due course. Measures that we are taking on positive action, flexible working and parental leave will also help address some of the barriers to progression that women face in the workplace.

Stephen Metcalfe: Having worked with my wife, my mother and my sister at board level, I am only too aware of the value that female directors bring to a company. What steps will my hon. Friend take to redress the balance of company boards tending to be predominantly male?

Lynne Featherstone: My hon. Friend is entirely right. Diverse organisations that reflect their customers offer better products and services as a result. In addition to appointing Lord Davies and implementing positive action, we are working with partners to encourage greater gender pay transparency. As I announced this morning, we will work with business to arrange for companies of 150 staff—not 250, as under the previous Government—to publish information that will allow people to understand their progression in the workplace.

Emma Reynolds (Wolverhampton North East) (Lab): I welcome the Government's strategy to increase the number of women on the boards of companies. Will the Minister seriously consider international best practice, such as that of Norway, and introduce a quota?

Lynne Featherstone: The Government have no intention of introducing legislation permitting quotas, but we will listen to what Lord Davies says when he comes back with his recommendations and respond then.

Lorely Burt (Solihull) (LD): Evidence suggests that companies with a strong female representation at board and top management level perform better than companies without. Does my hon. Friend agree that gender diversity allows companies to understand much better the needs of their customers?

Lynne Featherstone: My hon. Friend is entirely right. One would think that looking at the success of companies with diversity on their boards, and at the increase in their bottom-line profits, would be persuasion enough, but apparently there is much more to do.

Equality and Human Rights Commission

2. **Joseph Johnson** (Orpington) (Con): What recent discussions she has had with ministerial colleagues on reform of the Equality and Human Rights Commission. [27901]

5. **Charlie Elphicke** (Dover) (Con): What recent discussions she has had with ministerial colleagues on reform of the Equality and Human Rights Commission. [27904]

The Minister for Equalities (Lynne Featherstone): I discussed the reform of the Equality and Human Rights Commission with ministerial colleagues only yesterday. We want to focus on its core regulatory and human rights functions and improve its value for taxpayers' money, and we intend to consult on our proposals early next year.

Joseph Johnson: Will the Minister say why she believes a voluntary regime for the reporting of equality data will be sufficient to eliminate the persistent gender pay gap that the EHRC identified in its latest triennial review?

Lynne Featherstone: It will most certainly help. The voluntary approach, as introduced by Labour in the Equality Act 2010, is a very good mechanism. However, Government must not dictate to business. Business, the voluntary sector and all participants must come forward to publish details, and we will work with partners to ensure that voluntary publishing goes forward. We expect that it will, but we will not commence, amend or repeal section 78 of the Act, so the stick remains.

Charlie Elphicke: Are the core functions of the commission being successfully addressed? Is it working properly?

Lynne Featherstone: This is an opportunity for the EHRC to focus on its core functions. Unfortunately, when it was originally conceived and set up the previous Government seemed to lump together the previous three commissions with no real direction, no analysis of the skills that were needed and no focus. The EHRC has to become a respected national institution that focuses on its core functions, which are to ensure that people understand equalities discrimination and encourage them to use equalities legislation, and to hold to account those who do not.

Valerie Vaz (Walsall South) (Lab): One of the EHRC's roles is to nudge us towards a more equal society, so will the Minister say what she is doing to encourage more women apprentices, as they make up only 1% of those in manufacturing industry?

Lynne Featherstone: I will confer with the EHRC, as the hon. Lady said that this was about it nudging people. We are working with the science, engineering and technology sectors, and with all trades, to improve that representation level, as 1% is not acceptable.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): When the EHRC was established, with Liberal Democrat support, one of its key roles was to work proactively, through positive duties and working with organisations to ensure equality, so that cases of discrimination did not arise. In wishing to focus more on regulatory functions, is the hon. Lady not in danger of moving towards a situation where we only punish those who have committed acts of discrimination, rather than having a much more positive approach, as was previously supported?

Lynne Featherstone: No, it is a regulatory function to carry out the first of those core duties, which is to ensure that everyone in the voluntary sector and the workplace understands what equality legislation means to them and then to encourage them to use it. So we are taking a very positive approach. We hope that the end that is the enforcement arm of the regulator will never have to be used.

Paul Maynard (Blackpool North and Cleveleys) (Con): What recent representations has the Minister received from the EHRC about the disparity in tariffs for different types of hate crime? Disability hate crimes uniformly attract a lower tariff than hate crimes motivated by issues of sex or race.

Lynne Featherstone: I thank my hon. Friend for that question. He is right to say that certain forms of hate crime do not have the same aggravated status as others. That is being reviewed as we speak by the Ministry of Justice.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Reform of the EHRC must not be carried out because the Government are running scared of the action that the EHRC is rightly taking against the Government on the spending review. The House of Commons Library has now assessed the tax and benefit measures in the spending review and previous Budgets, and its figures show that Labour's last two Budgets gave more help to women, whereas the spending review and the emergency Budget after the election are hitting women more than twice as hard as men. When women still earn less and own less than men, why have the Government decided that women should pay more?

Lynne Featherstone: The right hon. Lady has raised this issue before, and she rightly says that the EHRC is doing what it is meant to do as an independent body. It is currently on the information trail, asking for information appertaining to the comprehensive spending review. All Departments are assessing the impact on equality and this Government have acted to protect the lowest-paid public sector workers, most of whom are women, from the public sector pay freeze. We have taken the lowest earners—800,000 people, most of whom are women—out of taxation. This Government have acted to protect women.

Historical Convictions

3. **Iain Stewart** (Milton Keynes South) (Con): If she will bring forward legislative proposals to amend the requirements for the disclosure of historical convictions for consensual homosexual intercourse for the purposes of preventing discrimination. [27902]

The Minister for Equalities (Lynne Featherstone): As my right hon. Friend the Minister for Women and Equalities said in her equalities speech last week, the

rights and freedoms Bill will include provisions to ensure that those who were prosecuted for consensual gay sex with over-16s at a time when that was illegal may apply to have their conviction deleted from police records. As a result, they will no longer be required to disclose their conviction in any circumstances.

Iain Stewart: Does the Minister agree that one of the benefits of the change is that men with such convictions who have not previously volunteered for charities or other organisations will now be able to do so, as they will no longer have to make the disclosure in their Criminal Records Bureau checks?

Lynne Featherstone: My hon. Friend raises an important point. It is totally unfair and unjust that men who have a conviction for something that has long not been illegal should have to fear that being exposed—and exposed to partners they live with, who may not know. Such men will never again have to disclose that information. I hope very much that those gay men whom that has inhibited from volunteering will now find that inhibition removed.

Disabled People (Elections)

4. **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): What steps the Government are taking to ensure that disabled people are able to participate in elections and referendums. [27903]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): There are a number of provisions in legislation that support disabled electors to vote at elections and, by extension, referendums. In particular, local authorities have a statutory duty to carry out a full assessment of polling places at least every four years to ensure that, so far as is practical, all venues are accessible to electors who are disabled.

Alun Michael: I am sure that the Minister would agree that there is still more that can be done—there are lots of things for a variety of disabilities—to ensure that practice is good in every aspect. In particular, will she look at clearing away the clutter of information on referendum ballot forms and election forms? That would mean that the information could be given in large-print form, as appropriate, and that the simplicity of the ballot form would be renewed.

Maria Miller: I thank the right hon. Gentleman for raising that point, because access to voting is important for everybody, and the Government are committed to ensuring that that is the case. There is significant legislation already in place to help that happen, and we will be ensuring that adequate formats are in place for all disabled people at the next referendum. In fact, we have consulted Scope on the form and design of the ballot paper to be used in the forthcoming voting referendum, so that both partially sighted people and people with learning disabilities will be able to participate.

Jo Swinson (East Dunbartonshire) (LD): Disabled people are still under-represented in this House and at other levels of elected office. When will the Government implement the commitment in the coalition agreement to introduce extra support for people with disabilities who want to stand for election?

Maria Miller: As my hon. Friend says, we have made a commitment as part of our coalition document to support more disabled people who want to become MPs, councillors or elected officials. We are currently looking at the detail of how best to do that. We will put forward proposals shortly, drawing on the cross-party Speaker's Conference evidence, which has been very useful.

Domestic Violence

6. **Mrs Madeleine Moon** (Bridgend) (Lab): What steps she has taken to increase protection from domestic violence for women. [27905]

The Minister for Equalities (Lynne Featherstone): On 25 November, we published the Government's vision to end violence against women and girls. It covers a range of measures to support victims of domestic violence, such as 12-month pilots of domestic protection orders and £28 million of funding until 2015 to support specialist services, including local domestic violence advisers, national helplines and work to prevent forced marriage.

Mrs Moon: If people are arrested or convicted for speeding, or if they are caught drink-driving, they are required to attend rehabilitation training courses. I support go orders, which are a good step forward, but should there not be huge investment and a commitment to ensuring that those who are removed from their homes are also required to attend anger management courses? That is what is needed to prevent further episodes of domestic violence.

Lynne Featherstone: I thank the hon. Lady for that thoughtful contribution. I will certainly take it away and consider it.

Fiona Mactaggart (Slough) (Lab): The Minister will be aware of the Powys woman who has been imprisoned for retracting her rape complaint against her husband. This abused woman has been criminalised, imprisoned and separated from her children, while the man, who the authorities were satisfied had raped her and who they believed had perverted the course of justice, is free. That will terrify other rape complainants who have been abused by their partners. Such women already have to struggle for support to get out of their situation, but they can now see that asking for help may be more dangerous than staying to suffer. Will the hon. Lady institute an holistic inquiry into how such a debacle occurred, say whether her Government's proposal to grant anonymity to men—and thus imply that woman who complain of rape are liars—is going ahead, and explain how they will secure no repetition of such a shameful case?

Lynne Featherstone: There is clearly an issue with women hesitating to come forward. This case and the publicity surrounding it might well have an effect on women. Obviously, I cannot comment on this case, but I am very aware of the need to encourage women to come forward if they have been the victims of rape. They should feel supported and listened to when they come forward. I will look into the case but I do not think it is my job to say today whether we will have an inquiry. However, I can inform the hon. Lady that the rape anonymity proposals have been dropped.

Comprehensive Spending Review

7. **Sheila Gilmore** (Edinburgh East) (Lab): What assessment she has made of the likely effect on women of the outcome of the comprehensive spending review in the spending review period; and if she will make a statement. [27906]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The Government have published an overview of the impact of the CSR on groups who are protected by equality legislation—the first time this has been done. It shows that women make more use of public services than men. Many of the key services we are protecting, including health, social care and early-years education, will benefit women.

Sheila Gilmore: The figures on the impact of benefit and tax changes, including the measures that were referred to by the Minister for Equalities earlier, show that nearly two thirds of the savings on benefits and tax credits will be borne by women. The Under-Secretary of State for Work and Pensions states that services are more used by women, so what practical steps is she going to take to redress the situation, given the huge pay gap which has been mentioned today?

Maria Miller: There are significant measures in the spending review that have clear benefits for women. We are protecting health care funding, extending early-years education, lifting 880,000 of the lowest-paid workers—the majority of whom are women—out of income tax, and increasing child tax credits for the poorest families. The majority of decisions about how Departments will live within their settlements are yet to be made and Departments will consider equalities impacts as they develop their plans. As my hon. Friend the Minister for Equalities said earlier, the Treasury has, for the first time, reviewed the overall impact of the CSR—something that was never done under 13 years of Labour.

Several hon. Members *rose*—

Mr Speaker: I am afraid that demand exceeds the time available and we must move on.

Winter Weather

11.32 am

Roberta Blackman-Woods (City of Durham) (Lab) *(Urgent Question)*: To ask the Secretary of State for Transport to update the House on the Government's response to the severe winter weather.

The Secretary of State for Transport (Mr Philip Hammond): Last year, the country experienced the most prolonged period of cold weather for 30 years. Weather conditions meant that the cost to the economy and the disruption to the public was significant and unacceptable. The Government took urgent action during the summer so that the country would be in a more resilient position this winter. We have studied the recommendations in David Quarmby's review of last winter's transport disruption, which was established by my predecessor and which I published in October.

We have taken action to address the points raised in the review. Salt stocks are at a much higher level than at this time last year and a national strategic salt reserve now exists for the first time to support local authorities whose individual stocks run out. Some 250,000 tonnes of salt have been ordered for that reserve, which will be managed by the Highways Agency, and more than 100,000 tonnes are already in place. In addition, the Highways Agency has 225,000 tonnes of operational stock for use on its own strategic road network and at the end of November local authorities had approximately 1 million tonnes of salt stock. The Highways Agency has ordered a further 60,000 tonnes and Scotland has separately stockpiled 30,000 tonnes.

Recommendations were also made in the Quarmby report about the measures that local highway authorities needed to take to keep our road network moving in the event of snow and ice this winter. In the past few days, there has been unusually heavy and persistent snow, in much greater quantities than were experienced earlier this year, down much of the eastern side of the country. The great majority of the strategic transport network has been kept open this week, but road and rail services in the areas worst affected by snow have been seriously disrupted. Highways authorities are working to keep roads open, but delays have been caused by broken-down vehicles and minor accidents. It is clear that abandoned and broken-down vehicles preventing access for gritters and in some cases preventing access to highway depots were major factors in yesterday's situation.

Most airports in England are keeping services running, but Gatwick has been directly affected by the worst of the snow conditions in England and remains closed today. One hundred thousand tonnes of snow have been cleared at Gatwick during the past 24 hours, and 80 full-time equivalent personnel and 47 snow-clearing machines are in operation at the airport. Many eastern rail services and Southern rail and Eurostar services have also suffered disruption and delay. Network Rail and train operators are working together to deliver as many services as possible. Night-time ghost trains have been run wherever possible, but build-up of ice on third rails across the Southeastern and Southern networks has led to loss of power and trains being stranded, causing severe delays and cancellations.

We are not alone: our northern European neighbours, and even Switzerland, are similarly affected—Geneva airport was closed for 36 hours. The Government fully recognise the frustration of the travelling public, and we are doing everything we can to keep Britain moving. Given that much of the country is being hit by severe weather unusually early this year, I have asked David Quarmby to conduct an urgent audit of highways authorities' and transport operators' performance in implementing the recommendations in his report, and to consider any further steps that might need to be taken.

I want to make it clear that I am asking David Quarmby to address the question not of whether we expect disruption when we have weather of such severity, but of whether there is anything that could or should have been done that has not been done. I expect to receive his report before the House rises for Christmas, and I will make a statement on his immediate findings at that time.

Roberta Blackman-Woods: I am grateful to the Secretary of State for his response, but does not the fact that he has responded rather than the Minister for the Cabinet Office, who is in his place, show that the Government have no co-ordinated response to the problems created by the severe weather conditions? Will the Secretary of State tell the House who, if anyone, in Government is co-ordinating ministerial colleagues? As he said, the severe winter weather is creating huge problems: 1,500 schools are closed today, disrupting children's education and preventing parents from getting to work; local authorities are reporting concerns about deliveries of grit; and ambulance services and hospitals are reporting cancellations of services. It is clear, therefore, that the problems are not confined to transport, but affect vulnerable people and the running of vital public services.

People were trapped in their cars, on trains and at isolated stations for many hours during the night, and many others are cut off in their homes, raising concerns about food deliveries and fuel supplies. Will the Secretary of State therefore tell us not just what he is doing, but what the Secretary of State for Education is doing on the schools situation, what the Secretary of State for Health is doing to keep hospitals running, and what the Secretary of State for Communities and Local Government is doing to ensure that local authorities have what they need? Finally, can the Transport Secretary tell us whether there are any plans to convene Cobra today to help co-ordinate the Government's response to the severe winter weather? That certainly needs to happen.

Mr Hammond: The list of problems that the hon. Lady read out are overwhelmingly related to the difficulties in the transport system. There is a long-established principle that the Department with lead responsibility for the problem co-ordinates across Government, and the Department for Transport has taken the lead in responding to this situation so far.

The hon. Lady said that local authorities are having difficulty obtaining supplies of grit, but my Department has not been contacted by any local authority with such difficulties. We have more than 100,000 tonnes of grit available in the Highways Agency's strategic stockpile ready to be made available to local authorities if they request it. The hon. Lady asked whether Cobra was

planning to meet. The situation is being kept under continuous review, and if it is appropriate to convene a meeting of Cobra later today, that meeting will be convened.

David Tredinnick (Bosworth) (Con): Why was the A5 in the midlands partly closed? Will the Secretary of State please write to me about that? Does he recognise that the A5 is a national highway? This is not a county matter.

Mr Hammond: Most of the strategic road network across the country has been kept open, and most of it is open today. Some strategic roads have been closed, particularly on higher ground, either because of exceptionally heavy and drifting snow or because they have been blocked by accidents or abandoned vehicles. Individual decisions will have been made by the Highways Agency or, in some cases, by the police. I will write to my hon. Friend and tell him precisely the reason for the A5 closure.

Maria Eagle (Garston and Halewood) (Lab): I am afraid that the Secretary of State is demonstrating a remarkable—indeed, breathtaking—degree of complacency. Unfortunately, he is not filling the House with any confidence that he is dealing with his responsibilities adequately. He may recall that, on the publication of the interim report on winter resilience in July, he said:

"For two winters in a row, severe weather has caused significant disruption for transport in this country. The cost to the economy and the disruption to the public has been significant, and there has been a level of dissatisfaction and confusion about the response by Government at both local and national level. This is unacceptable and must be resolved before the next winter season."—[*Official Report*, 26 July 2010; Vol. 514, c. 72WS.]

Is he really arguing that it has now been resolved?

Earlier today, during Transport questions, the Secretary of State said not only that the final and interim reports on winter resilience had been studied and not only that action had been taken—which he has just said again—but that the reports' recommendations had been implemented. He appeared to row back from that statement in his response to the urgent question. Will he make clear in what way the 17 recommendations in the interim report and the 11 further recommendations in the final report have been implemented? Has the salt cell been activated, and, if not, can he tell us why not? Have the 250,000 tonnes of salt actually been stockpiled? The Secretary of State said that the salt had been ordered, and then said that there were 100,000 tonnes in the stockpile. The report which he told us earlier had been implemented called for a stockpile of 250,000 tonnes. Can he make the position a bit clearer?

This winter weather was forecast well in advance. It is not as if it suddenly came on us. The Met Office gave us plenty of warning. Does the Secretary of State believe that a grit audit is an adequate response from the Government to the current suffering of motorists forced to sleep freezing in their cars, of train passengers dropped off at stations with no way of being rescued, and of half the population who struggled to get to work and had to turn up late yesterday? Does he believe that the complacent attitude that he has demonstrated today is anywhere near good enough from people who purport to be the Government of this nation?

Mr Hammond *rose—*

Mr Speaker: Order. I know that the Secretary of State always attempts to respond very comprehensively, but may I appeal to him to do so briefly as well? These are principally Back-Bench occasions; many Members wish to contribute, and brevity is the order of the day.

Mr Hammond: I shall attempt to be brief, Mr Speaker, but the hon. Member for Garston and Halewood (Maria Eagle) asked me a good many questions.

I can assure the hon. Lady that there is no complacency whatsoever. I recognise the absolute frustration and, indeed, anger of many people who have been stranded and had their journeys and their lives disrupted over the past 48 hours. Let me repeat, however, that the question is not whether a foot of snow and double-digit negative temperatures create disruption. They will create disruption; they will always create disruption. The question is whether we should or could have done anything differently, and that is what I have asked David Quarmby to consider. As soon as we have the answers to all the very sensible questions asked by the hon. Lady, I will report back to the House.

Mr Philip Hollobone (Kettering) (Con): When it comes to trains and buses, passengers find the weather frustrating, but even more frustrating is often the complete lack of information while they are standing on a cold platform or waiting at a draughty bus stop. What can the Secretary of State do to make sure that senior executives in those largely private companies ensure that information gets to the customers as speedily as possible?

Mr Hammond: My hon. Friend is absolutely right. A major part of the problem that we experienced yesterday was lack of information flow. Some train operators have already supplied BlackBerrys to on-train crews so that they can be given real-time updates to advise passengers of what is going on. We must take that process further. The least we ought to be able to do for passengers if they find their journeys disrupted is to give them accurate information about what is going on.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Secretary of State called for a review, but what is he doing to ensure that he can get up-to-date information enabling him to act with urgency? What is the role of regional Government offices in working with local authorities to give him a full and up-to-date picture of what is going on?

Mr Hammond: To be clear, I have asked David Quarmby to audit the implementation of the measures that he recommended in his report. Those were not simply about grit. There are recommendations covering a range of areas and modes of transport. We are getting information—not quite in real time, but by 9 o'clock this morning we had a full situation report on rail services and the condition of the strategic road network across the country. The information about what is happening on individual local authorities' roads is a little more patchy. That issue needs looking at, because the condition of local authority roads can have a knock-on effect on the condition of the strategic road network.

Jacob Rees-Mogg (North East Somerset) (Con): Does the Secretary of State agree that in a country with a generally temperate climate, such things will happen from time to time, that it would be disproportionate to spend too much money preventing them, and that even this Government cannot control the weather?

Mr Hammond: My hon. Friend is of course right. The Highways Agency has invested more than £100 million in new equipment for dealing with snow on the strategic highway network, as well as building a large strategic reserve of salt and grit. As I said earlier, clearly the question is not whether we can eliminate disruption when we get such snowfall in the UK. There will always be disruption. The question is whether there are sensible and proportionate measures that we could and should take which will minimise that disruption.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): Further to the question from the hon. Member for Kettering (Mr Hollobone), may I turn the Minister's attention to the airports? The airports in the south-east are closed today, yet the public are given no information about the alternatives. The airport authorities knew a week ago that the present weather conditions would happen. Why are we in such a situation in the south-east of England?

Mr Hammond: The hon. Gentleman says that the airports in the south of England are closed, but as of a few minutes ago, when I came into the Chamber, that was not my information. My information was that Gatwick was closed, but Heathrow was operating, albeit with delays. The problem, as the hon. Gentleman knows, is that airports have to operate with a primary focus on safety, and when heavy snow is falling it is not possible to operate the runways safely. I gave the figures earlier for the amount of clearance that occurred at Gatwick yesterday. Vast amounts of snow were moved off the runways and taxiways, but the airport is still not able to operate. If there is any measure that could or should have been taken over the past few days that would have kept Gatwick airport open, that is what we need to focus on, but even Geneva airport has been closed this week.

Martin Vickers (Cleethorpes) (Con): All train services into my constituency are currently cancelled. Bearing in mind that the same routes serve the strategically important port of Immingham, through which much of the country's coal is imported for power stations, can the Secretary of State assure me that improvements will be made to the services?

Mr Hammond: I cannot give my hon. Friend any immediate assurance that improvements will be possible on that line. I understand that the problem in that case is drifting snow, and it will take some time to clear the line and reopen it. I can tell him and the House that my right hon. Friend the Secretary of State for Energy and Climate Change has told me that he is confident that coal supplies are adequate and that we need see no interruptions to power supplies as a result of the present cold snap.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): May I please have some clarification from the Secretary of State? He said earlier that 100,000 tonnes of salt are available in the strategic supply, yet the review recommended that 250,000 tonnes should be in place by the start of the winter season. Will the Secretary of State confirm that he has not fulfilled that recommendation?

Mr Hammond: That is one of the questions that the hon. Member for Garston and Halewood (Maria Eagle) asked from the Front Bench. Let me give the exact figures. Local authorities have just under 1 million tonnes of stock for their own use. The Highways Agency has 225,000 tonnes of stock for its own use, and in addition it has ordered 250,000 tonnes for a strategic stockpile, of which 107,000 tonnes have been delivered. The remainder is expected to be delivered over the next six weeks. *[Interruption.]* The hon. Member for Garston and Halewood says that we have not met the target. It was never intended that the 250,000 tonnes would be used up in the first week of winter. It is going to be perfectly satisfactory to have the 250,000 tonnes delivered progressively during the course of December and into early January. Much of the salt is imported by sea from very distant locations, and we expect to have it all on the ground by early January.

Greg Hands (Chelsea and Fulham) (Con): My right hon. Friend will have noted that the tube system is working relatively well today, but he will also have seen that on Monday there was strike action on what was a very cold day, which caused massive disruption. Will my right hon. Friend join me in condemning those who look to pile on the misery by announcing three-day tube strikes, and those like Ken Livingstone who seek to support these strikes?

Mr Hammond: Unlike the Leader of the Opposition, I do believe there is such a thing as an irresponsible strike.

Vernon Coaker (Gedling) (Lab): When the right hon. Gentleman speaks to Mr Quarmby, will he make sure that his review looks not only at strategic routes but at the gritting of local and side roads? Last winter, many of my constituents were trapped in their homes. They were told that that was because the emphasis was on main routes. If they live on hills, for instance, they cannot get out of their homes. Local roads and side roads—and pavements as well—are just as important as some of the big strategic routes.

Mr Hammond: I wonder about the hon. Gentleman's commitment to localism. David Quarmby will be looking at the performance of local authorities, but it is for local authorities to decide on their gritting plan, and most local authorities will not choose to grit every residential side road and every footway. That is a decision for them, and it is for local communities to hold local authorities to account for those decisions. Our job is to make sure that local authorities are doing what they are committed to do on the strategic road network.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): Will my right hon. Friend join me in congratulating all those who, despite the weather, have battled into work to keep our public services open and to negate the effect that this sort of weather can have on our economy?

Mr Hammond: I will indeed. It is very tempting at 6.30 am to look out of the window and decide to turn over and forget about it, so those who have battled with the elements and the disruption on the transport system to keep our public services going should be congratulated.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): How much of the Highways Agency budget has been, and will be, spent on procuring salt, grit and potash from British suppliers such as Boulby potash mine in my constituency, as opposed to overseas suppliers which the Secretary of State mentioned earlier?

Mr Hammond: The point I think the hon. Gentleman is trying to make is simply not valid. The problem last year was that domestic suppliers could not keep up with demand. Local authorities ran down their stocks, in some cases to nil, and during the summer they needed to rebuild those stocks. To have had the Highways Agency trying to build a strategic stockpile in competition with them would have been deeply unhelpful. We took the decision to import the large part of the strategic stockpile, even though that means paying very considerably higher prices, so that local authorities could restock and the strategic stockpile could be built in parallel.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Will the Secretary of State talk to his departmental colleagues, and also to the Prime Minister, about emphasising to people the importance of checking on their neighbours? I acknowledge the work that has been done on ensuring that there is grit, and we have learned the lessons of last winter, but it is essential that we do not forget our communities locally.

Mr Hammond: My hon. Friend reminds the House of a very important message. We have talked about people struggling to get to work and wrestling with the transport network, but many people, often the elderly, are stuck in their homes and they may be getting into difficulty—they may be unable to shop, for instance. It is very important that we keep delivering the message that those who are able to get out should check on their neighbours and see if there is anything they can do to help.

Mr John Spellar (Warley) (Lab): The Secretary of State said in his statement that the Department for Transport was taking the lead among Departments, yet in that statement there was not one word about what he or any of his Ministers are doing about this crisis. Is not the reality that he is asleep on the job, and when is he going to get a grip?

Mr Hammond: The reality is that the problem on the ground is essentially transport-focused at this stage. Problems in other areas such as the health service are directly related to transport issues, so the Department for Transport has to take the lead. That is what we are doing. We are regularly meeting and communicating with the Highways Agency, train operators and airport operators to monitor the situation; we are doing so on an hourly basis. If it is necessary to convene a meeting of Cobra later today, we will do so.

Charli Elphicke (Dover) (Con): Is it not right that we congratulate and encourage those people who are currently hard at work up and down the country clearing snow, and is it not also right that good neighbours should be encouraged to clear pavements outside their own homes?

Mr Hammond: On my hon. Friend's last point, I remind the House that the Government published a code of practice on snow clearing on pavements. Members will remember that during the similar events of last winter earlier this year there was some suggestion that individuals were wary of clearing snow from pavements for fear that accidents caused on that stretch of pavement might lead to legal action. I hope we have dealt with that issue.

Nick Smith (Blaenau Gwent) (Lab): On the topic of getting a grip, has the Secretary of State heard anything from local authorities about neighbourhood gritting barns having been filled this year because of the terrible winter we had last year?

Mr Hammond: That is, of course, a matter for local authorities. I can tell the hon. Gentleman that one of the big problems with strategically placed roadside bins is that the grit local authorities put in them is often removed without authorisation by people wanting to use it on their private properties. That has been a persistent problem for local authorities.

Mr Kevin Barron (Rother Valley) (Lab): The Secretary of State may have heard the report on the "Today" programme about the dozens of lorry drivers who have spent two nights in the Methodist hall in South Anston in my constituency. The road they are stranded on is the A57. That section of it is a major link road between the A1 and the M1 in south Yorkshire. Can the Transport Secretary urgently find out why it has been allowed to get into a state of such chaos?

Mr Hammond: I will check specifically on the situation on the A57 and write to the right hon. Gentleman later today, but I can tell him that generally across the strategic road network, where major problems have occurred the cause has been jack-knifed, broken-down or abandoned vehicles blocking the road so that gritters and snow ploughs cannot get through. In some cases, the problem has been exacerbated by lorry drivers driving in an uncleared third lane of the motorway, often leading to accidents and jack-knifings.

Stella Creasy (Walthamstow) (Lab/Co-op): Many of my constituents in Walthamstow experienced severe difficulties getting into work during last winter's snow, and I do not share the confidence in the tube system of the hon. Member for Chelsea and Fulham (Greg Hands), because I experienced problems this morning. What discussions has the Secretary of State had with the Mayor of London about how to keep the capital city moving?

Mr Hammond: The Highways Agency and the rail directorate within the Department for Transport are in constant contact with Transport for London. TfL has responsibility for strategic roads in London and needs to operate continuously in conjunction with the Highways Agency. My understanding is that the service on the tube network has been pretty good over the last two days. There may be isolated incidents such as that to which the hon. Lady has referred, but on the whole the service has been good.

Clive Efford (Eltham) (Lab): The Secretary of State really must get a grip on this situation. For my constituents, Southeastern Trains provides the main route into London as we do not have access to the London underground.

[Clive Efford]

We have no trains running on the service through Eltham this morning, yet people are standing on the platforms and the station concourse because they do not know what is going on. What is the Secretary of State doing to make sure that train operating companies are giving up-to-date information to people who might mistakenly be standing on cold platforms waiting for trains that are never going to turn up?

Mr Hammond: I agree with the hon. Gentleman that the lack of information is inexcusable. The Office of Rail Regulation said this morning that it will have its inspectors out on the Southeastern and Southern networks, looking at the information that is being provided and making sure that operators are meeting their obligations under their franchise contracts, and if they are not they will be dealt with according to the provisions in those franchise contracts.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Abandoned cars and accidents add to the chaos. I understand that once the temperature goes below minus 7°, the tyres that we use on our cars are no longer appropriate and safe. Is the Secretary of State having discussions with car manufacturers and automobile organisations about encouraging people to change over to winter tyres, as they do on the continent?

Mr Hammond: We have looked at the issue, and in fact David Quarmby addressed it. The use of winter tyres—snow tyres or even studded tyres—and snow chains is appropriate where people drive for long periods through the winter on compacted snow; it is not appropriate in the situation, as in the UK, where snow is on the ground for relatively short periods. Winter tyres wear out very quickly on normal road surfaces and cause significant damage to those surfaces, so they would not be appropriate in the UK situation.

Several hon. Members *rose—*

Mr Speaker: Order. There is heavy pressure on time, so we must now move on to business questions, in the use of which, of course, the ingenuity of colleagues is legendary.

Business of the House

12.1 pm

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 6 December will include:

MONDAY 6 DECEMBER—Opposition Day [8th allotted day]. There will be a debate entitled "The Unfair Distribution and Impact of Cuts to Local Government Funding".

TUESDAY 7 DECEMBER—Second Reading of the European Union Bill.

WEDNESDAY 8 DECEMBER—Estimates Day [1st allotted day]. There will be a debate on police funding for 2011-12 and the Department for International Development's assistance to Zimbabwe. Further details for the second of these debates will be given in the *Official Report*.

[The information is as follows: Department for International Development's assistance to Zimbabwe (8th Report from the International Development Committee of Session 2009-10, HC 252); Government Response—Cmd 7899.]

At 7 pm the House will be asked to agree all outstanding estimates.

THURSDAY 9 DECEMBER—Proceedings on the Consolidated Fund Bill, followed by a motion to approve resolution on increasing the higher amount which is to be applied under the Higher Education Act 2004, and a motion relating to the draft Higher Education (Basic Amount) (England) Regulations.

The provisional business for the week commencing 13 December will include:

MONDAY 13 DECEMBER—Second Reading of the Police Reform and Social Responsibility Bill.

TUESDAY 14 DECEMBER—Consideration of Lords Amendments, followed by remaining stages of the Terrorist-Asset Freezing Bill [*Lords*], followed by consideration of Lords Amendments.

WEDNESDAY 15 DECEMBER—Second Reading of a Bill.

THURSDAY 16 DECEMBER—Motion relating to park homes, followed by a general debate to be nominated by the Backbench Business Committee.

I should also like to inform the House that the business in Westminster Hall for 16 December will be:

THURSDAY 16 DECEMBER—A debate on drugs policy.

Hilary Benn: I thank the Leader of the House for his answer. Will the right hon. Gentleman explain why the programme motion on the European Union Bill published today plans to give the House only four days for Committee consideration and remaining stages? It is a major constitutional Bill, and the time proposed is wholly inadequate, especially when compared with other recent European Bills. I am sure that many Government Members share our view, so will the Leader think again?

On the plan almost to treble tuition fees, we have just had it confirmed that the vote will be next week, so when will we see the text of the proposals? Of course, the question that everybody wants to ask is, how will Liberal Democrat MPs vote?

That brings me to the Deputy Prime Minister, who has continued to hawk his guilty conscience around the television studios. I must tell you, Mr Speaker, that I have not checked overnight to see whether he has given an interview to Kazakhstan state television, but last week he suggested that, after carefully considering all the arguments and weighing up the pros and cons of the proposals, the outcome might well be that Liberal Democrat MPs decide, in a show of resolute unity, to abstain—in other words, to sit on the fence, the traditional resting place throughout the ages of Liberal Democrats faced with a difficult decision.

What a stroke of genius! Why did the Deputy Prime Minister not make a statement to confirm that earlier in the week when he had the chance? Think of the plaudits he would have won from students throughout the country for making a pledge of principled abstention; think of the difficulties he would have avoided; think of the money that would have been saved on all those plane fares to Kazakhstan and back—because the Deputy Prime Minister had to be hustled out of the country to be protected from being asked over and over again, "How are you going to vote?" It is going to be a very expensive betrayal all round.

When the Leader of the House gets on the phone to Astana, will he also ask the Deputy Prime Minister to explain why back in the summer he told the House that an £80 million loan to Sheffield Forgemasters was completely unaffordable, whereas now we are told that a loan of several billion pounds to the Irish banks is affordable? May we have a statement clearing up that minor contradiction?

Last week, the Prime Minister, during his doomed attempt to defend the cuts in school sport partnerships, told us to trust the judgment of head teachers. So, what about the judgment of 60 head teachers from throughout England who, in a letter, describe the decision to scrap the scheme with no consultation as "ignorant", "destructive", "contradictory", "self-defeating" and "unjustified"? I think we could say that they are pretty unhappy, so does the Leader of the House have any news for us about an apology from the Prime Minister for having disgracefully attacked the partnerships and called them a failure? When will the Prime Minister make a statement about the U-turn on which he is clearly now working, much to the discomfort of his hapless Education Secretary?

When the Prime Minister comes to the House, will he explain another U-turn that he has made? Before the election, he said that any Minister who came to him with proposals for cuts in front-line services would be "sent packing". Yet, that is exactly what we now see, with cuts in front-line policing from the Home Secretary, cuts in school sport from the Education Secretary and cuts to local services from the Communities and Local Government Secretary. When can we expect the Prime Minister to live up to his word, or is it just the promises that he casually made that have been sent on their way?

Finally, talking of sending people packing, and following Lord Young's unhappy experience, I note that last week the Prime Minister was forced to denounce Mr Howard Flight, even before the ermine had touched his shoulders. May we have a statement from the Prime Minister on the criteria he uses for appointing, first, advisers and, secondly, peers? Given the rate at which they are saying things that are unacceptable, he does not seem to be exercising very good judgment.

Sir George Young: May I congratulate the right hon. Gentleman on that performance, which was far more impressive than the Leader of the Opposition's yesterday? Given the impeccable Labour pedigree of the right hon. Member for Leeds Central (Hilary Benn), may I say that he is the only Opposition Member who can say with pride that he is a son not of Gordon, but of Tony?

Turning to the questions that the right hon. Gentleman poses, I have to say that four days on the Floor of the House is a generous allocation of time for the Bill to which he refers, so long as the House uses it intelligently and does not resort to the sort of tactics that we saw during previous constitutional Bills, parts of which were taken on the Floor of the House.

Turning to the right hon. Gentleman's second question on higher education, I have to say that he is in no position at all to talk about unity. Yesterday, in an article in the *Evening Standard*, the Leader of the Opposition reiterated his long-term policy aim, saying that he wanted a "fairer graduate tax system." Here is what the shadow Chancellor thinks about that:

"We had the argument about the graduate tax. I just cannot understand why going back there is anything other than a kind of sop to the left."

And the former Transport Secretary said of the same policy:

"The trouble is it can't be done".

On the specific question that the right hon. Member for Leeds Central poses, we expect to table the motion for the higher cap in the next day or two, and in good time for the debate. The statutory instrument relating to raising the lower cap has already been laid and is on page 1928 of the Order Paper.

We have debated the loan to Sheffield Forgemasters on several occasions, and when we introduce the legislation the House will have an opportunity to debate the loan to Ireland.

There was an apology on school sports, and it came from the shadow Education Secretary about the policy that he bequeathed us. In the debate on Tuesday, he said:

"I am not arguing that it is perfect. Of course it could probably be made more efficient".—[*Official Report*, 30 November 2010; Vol. 519, c. 709.]

That is exactly what the Government are doing. We are delivering school sports differently from the previous Government, not pursuing their centralised PE and sport strategy. We will redeploy resources and people to put a new emphasis on competitive sport.

Neither the right hon. Gentleman nor any other Opposition Member will have any credibility whatsoever until they tell the House and the country how they would have delivered the cuts they had pencilled in before the election. They have totally failed to fill in the blanks ever since.

Finally, on peers, I am sure that my noble Friend-to-be, Lord Flight, will make a useful contribution in the other place. Given time, I could do some research and find out what contributions have been made by Members appointed to the other place by the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) of comparable value to those of Howard Flight.

Several hon. Members *rose*—

Mr Speaker: Order. Given the level of interest and the pressure on time, I appeal to colleagues to ask single, short questions and to the Leader of the House to offer his characteristically succinct replies.

Mr Greg Knight (East Yorkshire) (Con): I always used to think that my right hon. Friend was a progressive, but I am beginning to have my doubts. Is he aware that as long ago as 2008, this House was promised a debate in Government time on the electronic petitioning of Parliament? It is now nearly 2011 and we are still waiting. When, oh when, can we debate e-petitions?

Sir George Young: I am grateful to my right hon. Friend and to the Procedure Committee for their work on electronic petitions. He will know that there is a commitment in the coalition agreement to take the issue forward. I hope that my office will be in touch with his Select Committee shortly to indicate how we plan to bridge the gap between House and country by taking forward the agenda of petitions. The commitment is that when a petition reaches 100,000, it will become eligible for a debate in this House. I am anxious to make progress on that agenda.

Mr Tom Watson (West Bromwich East) (Lab): Following on from the point of the right hon. Member for East Yorkshire (Mr Knight) on e-petitions, will the Leader of the House confirm that the Prime Minister is cancelling his No. 10 Downing street e-petitions site? If so, will he take heed of the right hon. Gentleman's advice and speed up the process of holding that debate in the House?

Sir George Young: The hon. Gentleman is right that the No. 10 e-petitions site has been taken down, but we envisage carrying forward the ability to petition on the Directgov site.

Mr Stewart Jackson (Peterborough) (Con): May we have a debate in Government time on equality of opportunity in public expenditure? This week, the Welsh Assembly announced that no Welsh student would pay increased tuition fees. Why is that policy and facility not open to my constituents' children, given that English taxpayers are largely financing such Welsh largesse?

Sir George Young: I understand the aggravation expressed by my hon. Friend's constituents, but the situation he describes is a logical outcome of the policy of devolution, and of giving the Assembly of Wales and the Parliament in Scotland autonomy over issues that were previously reserved to this House.

Natascha Engel (North East Derbyshire) (Lab): Is the Leader of the House aware that the Backbench Business Committee is conducting an experiment with the pre-Christmas recess Adjournment debate on 21 December? It is doing so in response to the frustration expressed by many Back Benchers, who would like a substantive response to the many issues that they raise in such debates. Will he join me in encouraging hon. Members to apply to the Table Office for the new 10-minute departmental slots by the deadline of 3 pm on Monday 13 December? That will enable the Committee to create departmental groupings so that hon. Members, not least the hon. Member for Southend West (Mr Amess), will receive a ministerial response to the many and varied issues they raise.

Sir George Young: I am grateful to the hon. Lady for her public service announcement. She is right to draw attention to the different regime, which is on the Order Paper, proposed for the pre-Christmas Adjournment debate. That will pose an intellectual challenge to my hon. Friend the Member for Southend West (Mr Amess), who manages to raise about 30 subjects in a five-minute speech, because he will have to choose one of them. As always, I welcome the way in which the Backbench Business Committee is using the space it has to develop new ways of tackling issues and to provide the House with fresh opportunities to debate matters. I am sure that hon. Members will respond to her invitation to put in for subjects.

Jo Swinson (East Dunbartonshire) (LD): Many people would find it an unappealing prospect to spend an evening in the hot shopping environment of Hamley's, heaving with excitable children and their stressed parents in the Christmas rush. It is certainly no place for Arctic animals, but, shockingly, Hamley's has advertised in-store displays of live reindeer and penguins. May we have a debate on how animal welfare should be for life, and not forgotten at Christmas?

Sir George Young: Having spent some time in Hamley's shopping for things for children, I understand the pressure on those who go through that ordeal. I will raise with the appropriate Minister the issue of animal welfare that the hon. Lady touched on to see whether there has been a breach of regulations.

Keith Vaz (Leicester East) (Lab): May we have an urgent statement on the meeting that took place this week between the Defence Minister and President Rajapaksa of Sri Lanka? We understand that it was supposed to be a private meeting, but throughout the meeting, of course, the Defence Minister remained the Defence Minister. Bearing in mind that we are pressing for an inquiry into war crimes in Sri Lanka, may we have a statement on that meeting?

Sir George Young: Like the right hon. Gentleman, I understand that it was a private meeting. I cannot guarantee a statement, but on 14 December there will be an opportunity to ask questions to Ministers from the Foreign and Commonwealth Office.

Bob Blackman (Harrow East) (Con): Will my right hon. Friend make time available for a statement or debate on the decision of the Legal Services Commission to withdraw legal aid from the foetal anticonvulsant syndrome group, a group of parents who have campaigned for the past 10 years for justice for their children, who have disabilities caused by drugs taken by the mothers during pregnancy? Some £4 million of legal aid had been agreed with the Legal Services Commission, but on the eve of the trial it withdrew the funding. The litigants now have until 20 December to get it reinstated. I think that that decision should be reviewed in this House.

Sir George Young: I understand the concern that my hon. Friend shares with the House. I will raise the issue with the Lord Chancellor to see whether there is any action that he can take to help.

Mr Tom Harris (Glasgow South) (Lab): In the past 36 hours, the Independent Parliamentary Standards Authority has been contacting members of the Lobby in this place, offering to identify Members whom it believes have submitted newsworthy claims. Will the Leader of the House seek an urgent meeting with Sir Ian Kennedy, not to listen to more of his bogus denials, but to warn him that this House will not be bullied by such unacceptable and disgraceful behaviour?

Sir George Young: I am grateful to the hon. Gentleman. I read with interest today the newspaper article that he wrote. The information that appeared in *The Times* yesterday was the result of a freedom of information request to IPSA from that newspaper, and it withheld the names of the hon. Members whose claims were rejected. There will be a debate on IPSA shortly and I will ensure that the hon. Gentleman, if he catches your eye, Mr Speaker, receives a response to the specific point that he has raised. I quite agree that there can be no question of any Member of this House being bullied.

Mr Edward Timpson (Crewe and Nantwich) (Con): My local Communication Workers Union branch and I appreciate the importance and necessity of the modernisation of Royal Mail. However, according to the most recent quality of postal services report, my constituency has the second-worst postal service in England and Wales. May we have a debate on the quality of postal services so that people such as my constituents do not have to suffer what is sometimes billed as "progress"?

Sir George Young: I admire the way in which my hon. Friend has campaigned for a higher quality of postal service in his constituency. Modernisation must not be held up as an excuse for poor service. However, I will raise this issue with the Under-Secretary of State for Business, Innovation and Skills, my hon. Friend the Member for Kingston and Surbiton (Mr Davey), who has responsibility for postal affairs. Our legislative proposals that are going through Parliament are designed to drive up the quality of postal services.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): The Leader of the House will recall that a week ago I pressed him about the non-appearance of the localism Bill, which one of his right hon. colleagues announced would be published imminently. The Leader of the House was more cautious and said only that it would be published shortly. He has not said anything further about it today, but there was a mysterious reference in his statement to the Second Reading of "a Bill" on 15 December. Will he tell the House whether that mysterious Bill is the localism Bill? Is his coyness connected to the shambolic preparation of that Bill in the Department for Communities and Local Government?

Sir George Young: There is no shambles anywhere in the administration of this coalition Government. However, I have to say that the gestation period for the localism Bill has been a little longer than anticipated. Last week, I said that it would appear shortly, and it will appear very shortly. I hope that it will be before the House well before Christmas.

Jeremy Lefroy (Stafford) (Con): This week's Office for Budget Responsibility report states that

"if left unaddressed, upward pressure on spending from the ageing of the population might well eliminate the primary budget surplus".

May we have a debate on that matter? May we also consider the innovative schemes run by local councils up and down the country to address it?

Sir George Young: I applaud any lateral thinking by local authorities throughout the country to deal with demographic pressures. One of the reasons we decided to increase in real terms the budget of the NHS was precisely to deal with the issue that my hon. Friend has touched on—the ageing of the population. Related to that is the extra £2 billion announced in October for adult services and social services. I hope that those, too, will have some impact in dealing with the demands for services as a result of the ageing of the population. When we get the localism Bill, my hon. Friend may have an opportunity to develop his argument at greater length.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I wonder whether Members could get greater notice of statements in the House. I have had the experience of being informed by journalists about statements the night before. If journalists can be informed, surely Members can be given greater notice.

Sir George Young: The hon. Gentleman is absolutely right. Whenever possible, we try to give notice of a statement on the Order Paper, so that when Members come in, they can see that the Government are planning to make a statement. That is not always possible, but I wholly agree that the House should be informed at least at the same time as the press of any statements that the Government plan to make.

Tony Baldry (Banbury) (Con): Will the Leader of the House arrange for a clear statement to be made on ministerial collective responsibility? I appreciate that established conventions might need to be varied to accommodate a coalition Government, with the coalition partners voting differently in certain circumstances, but it surely cannot be right for Ministers, including the Chief Secretary to the Treasury today, to agonise publicly in newspapers about whether they are going to support the Government in the Division Lobby.

Sir George Young: I am grateful to my hon. Friend for raising that issue. It is within his memory and mine that when we had a single-party Government in the 1970s collective responsibility was suspended during the referendum on whether we should stay in the European Community, so there are precedents within single-party Governments for suspending collective responsibility. We have a coalition Government, so some of the normal conventions are not strictly applicable. I draw his attention to section 21 of the coalition agreement, which says in respect of the incident to which I think he is referring, that

"arrangements will be made to enable Liberal Democrat MPs to abstain in any vote."

Nic Dakin (Scunthorpe) (Lab): I am concerned about the impact of Government plans on students in year 12 who are currently in receipt of the education maintenance allowance. It looks as though they may not be eligible

[Nic Dakin]

for EMA support next year. If so, it would cause unintended hardship, which I suspect the Government do not want. Will the Leader of the House arrange for a statement to be made to clarify that issue?

Sir George Young: I agree that it is important that students should be able to continue their education, and I understand the issue that the hon. Gentleman has just raised about EMA. Rather than arrange for a statement, I will certainly pursue with the appropriate Minister the question of what certainty and assurances can be given to those who need another year, after this year's EMA runs out, to continue their courses.

Robert Halfon (Harlow) (Con): Has my right hon. Friend seen my early-day motion 587, which is about creating a Royal Society of Apprentices and is signed by MPs from all parties?

[That this House welcomes the Government's plans to restore apprenticeships to their former glory; considers that such a change in policy must be supported by a change in culture; believes that this Parliament should create a new golden age of vocational training, where apprenticeships are seen as prestigious and of equal value to a university degree; further believes that a Royal Society of Apprentices, similar to the Law Society or the British Medical Association, should be established to replicate the vibrant social life of universities for students in vocational training; further believes that there should be an annual apprentices day in every local authority, which would build on the already successful Vocational Qualifications Day and act as a formal graduation ceremony for vocational students; and calls on the Government to add its voice in support of these efforts in the coming months and years.]

Yesterday I met representatives of the main apprenticeship organisations around the country, and the relevant Minister has also given his backing to the idea. May we have a debate on how we might put it into practice?

Sir George Young: I am grateful to my hon. Friend for raising that matter. It strikes me that he might apply for one of the slots in the pre-Christmas Adjournment debate, recently advertised by the hon. Member for North East Derbyshire (Natascha Engel). He would then have an opportunity to develop his case at greater length and get a confident and, I hope, positive response from the appropriate Minister.

Mr Denis MacShane (Rotherham) (Lab): The Leader of the House will have seen the reports of concern at the highest levels of the US Government about the state of affairs in Russia—kleptocracy, mafia and state functionaries linked to crime. May we have an early debate on the rule of law in Russia, with particular reference to the lawyer of the British citizen Bill Browder, Sergei Magnitsky, who was put to death almost exactly one year ago? We really have to raise our voices more loudly about the awful things happening in Russia, whatever our geopolitical needs for a strategic partnership with Mr Putin.

Sir George Young: There will be an opportunity at Foreign Office questions on 14 December to raise that specific issue. I cannot promise a debate, but in connection with what has been coming out through WikiLeaks, the Government deplore any unauthorised disclosure of information, particularly if, as the Americans have alleged, it may lead to the risk of loss of life.

Mr Philip Hollobone (Kettering) (Con): When can we expect a debate and vote on the bailing out of the Irish Republic?

Sir George Young: The assistance to the Republic of Ireland requires primary legislation; it requires a Bill. There will be an opportunity to speak and vote on that, and I anticipate that it may come forward in the relatively near future.

Derek Twigg (Halton) (Lab): Following the Prime Minister's intervention in the school sport funding debacle, we have heard that he has asked the right hon. Member for West Dorset (Mr Letwin), the Cabinet Office Minister, to review the reorganisation of the health service proposals made by the Secretary of State for Health. Those proposals will cost £3 billion, and wide concern has been expressed about them. May we have an urgent debate in Government time, so that it can be explained why the Prime Minister needs to review the Secretary of State's proposals for NHS reorganisation?

Sir George Young: The Government will introduce in due course a health reform Bill, which will be an opportunity for the hon. Gentleman to develop his case and for the Secretary of State for Health to explain why our proposals for the NHS will deliver a higher quality of service than we are getting at the moment.

David Tredinnick (Bosworth) (Con): Further to questions about the situation in Parliament square, is my right hon. Friend aware that there are now tents on the pavement outside at least one Government Department? Does he not think that that reflects very badly on the Government, the Greater London authority and the Metropolitan police? Why is this part of Westminster the only area in the whole United Kingdom where people can pitch a tent and not be moved on by the police immediately?

Sir George Young: The short answer is that that is because of a somewhat surprising decision—which, of course, one cannot criticise—made by a magistrate, who decided that that pavement was not a pavement because very few people used it. The good news for my hon. Friend is that we have now published the Police Reform and Social Responsibility Bill, which deals specifically with encampments on Parliament square. The measures include a power to allow local authorities to attach a power of seizure to byelaws, to allow them to deal promptly and effectively with the nuisances to which my hon. Friend has just referred.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Has the Leader of the House seen the letter in *The Times* this morning from well over 100 senior academics about the savage cuts to higher education? Does he not agree that Members on both sides of the House care about the future of higher education? May we have a real debate about the future of higher education and whether the savage cuts are really necessary?

Sir George Young: We had a real debate last Tuesday, when the Opposition chose it as a subject; I hope that the hon. Gentleman is not saying that that was not a real debate. We will have a further debate next Thursday on tuition fees, and there will be an opportunity later to debate when we need to change the legislation to raise the cap on the interest rate. I honestly believe that there have been adequate opportunities, and there will be even more, to debate the future of higher education.

Greg Hands (Chelsea and Fulham) (Con): Staying on the subject of higher education, may we also have a debate about Members of the House who are supporting direct action by students? Earlier, I notified the hon. Member for Hayes and Harlington (John McDonnell) that I would be raising this matter. His Twitter feed this morning said:

"Support Support The Occupations!....To all the student occupations I send a message of my support and solidarity."

Will my right hon. Friend join me in agreeing that we should be democratically debating the measures rather than taking part in the disruption of our higher education institutions?

Sir George Young: I entirely agree. All hon. Members should act responsibly and should not do anything that encourages unlawful action. I think I read that the hon. Member to whom my hon. Friend refers was going to have a conversation with the Opposition Chief Whip; his future can be safely dealt with by those authoritative hands.

Chris Leslie (Nottingham East) (Lab/Co-op): Can we have a proper debate shortly on the impact of the cold weather on domestic energy consumption? The Leader of the House will know that yesterday there was a 25% spike in domestic gas consumption. This is particularly worrying as Ofgem has opened an investigation into potential profiteering by the main energy utility firms. I hope that he agrees that this would be a very bad time for those energy companies to be raising bills further.

Sir George Young: I am grateful to the hon. Gentleman, who raises a genuine issue about those challenged by winter fuel payments. We have permanently increased the cold weather payment to £25 for seven consecutive days, and the winter fuel payment will continue to be paid at the higher rate of £250 for households with someone aged up to 79. This includes a temporary increase of £50 and £100. Winter fuel payments will remain exactly as budgeted for by the previous Government. On the specific question of exploitation, I will pass his concerns on to my right hon. Friend the Secretary of State for Energy and Climate Change to see whether there is any action that he can take.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): Will the Leader of the House expand on his earlier answer about WikiLeaks and arrange for an updated Government statement on this organisation? There could be serious implications for our armed forces and others, and they need to know that we are doing all we can to protect them.

Sir George Young: As I said earlier, the Government deplore these unauthorised leaks of information, which have the potential to destabilise relationships between countries and lead to a risk to life. We deplore what has been put in the public domain, and it is not our policy to comment on unauthorised disclosure of information.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Further to the question by the hon. Member for Banbury (Tony Baldry), we have a Business Secretary who develops a policy on tuition fees, tells the country that it is the best policy possible, and then comes to this House and tells us that he has a strong inclination not to vote for his own policy. What are the constitutional implications of this departure?

Sir George Young: The Cabinet has a united policy on this issue, which is more than the shadow Cabinet does.

Emma Reynolds (Wolverhampton North East) (Lab): Labour Members welcome the Prime Minister's rethink about scrapping school sport partnerships. While we try to refrain from saying "We told you so", can the Leader of the House ensure that the Government make a statement on this issue before the Christmas recess to end the uncertainty for schools in my constituency and across the country about their budgets and their ability to continue with sports provision?

Sir George Young: We will make a statement in due course about the allocation of resources to local authorities. As I said earlier, we will be delivering school sports in a different way from the previous Government, and we will announce how we will spend the money we have allocated for school sport in due course.

Mr Gerry Sutcliffe (Bradford South) (Lab): May we have a debate on where Ministers make statements, to whom, and at what time? We were promised a statement by the Deputy Prime Minister on the progress relating to immigration centres, Yarl's Wood in particular, and that statement should have been made this week. Today, we are told by the press that he is going to make the statement via a video link from Kazakhstan to a charitable organisation. Is not that disrespectful to the House?

Sir George Young: The coalition agreement is quite clear that we want to phase out the detention of children for immigration purposes in centres such as Yarl's Wood. At the moment, we are looking at alternatives—namely, looking after families with children in the community rather than in detention. When those alternatives have been developed, the House will be informed in due course.

Diana Johnson (Kingston upon Hull North) (Lab): Given that the coalition has said that because of the Post Office subsidy and the plans for privatisation there will be no further post office closures, can we please have a debate about why a post office in Welwyn Park road in my constituency is going to close imminently?

Sir George Young: I think the Government said that there would be no planned post office closures along the lines that we had under the previous Government, when whole swathes of post offices were closed as part of a policy that that Government developed. We are not going to do that, but of course we cannot stop individual post offices closing if the sub-postmaster wants to withdraw and no one else can be found to take over.

Clive Efford (Eltham) (Lab): In the light of some of the exposures on WikiLeaks, may we have a debate on the 22 days when the coalition was formed? May I make the helpful suggestion to the right hon. Gentleman that perhaps we should set aside the Standing Orders of the House and have Mervyn King lead the debate on behalf of the Government? In that way, we could at least hold to account someone who played a major role in forming the coalition Government.

Sir George Young: The hon. Gentleman said that that would be a helpful suggestion, but I am not sure that I agree with him.

Mr Clive Betts (Sheffield South East) (Lab): The right hon. Gentleman is well aware of the constitution and procedures of this House—probably better aware than anyone here—so surely he must have some concerns about the slightly ridiculous situation created by the possibility of a Minister coming to the Dispatch Box in the tuition fees debate to try to persuade the rest of the House to vote for a Government policy when he is not persuaded to vote for it himself.

Sir George Young: The hon. Gentleman raises an issue that I have already dealt with. The coalition agreement is absolutely clear that on this particular issue Liberal Democrats are entitled to abstain.

Vernon Coaker (Gedling) (Lab): Will the Leader of the House arrange for an urgent debate on the provision of speech and language therapy in schools? Dylan Scothern is a six-year-old autistic boy, the son of Rachel Scothern, a constituent of mine. Because he is six years of age, he has had speech and language therapy taken away from him on the basis that he is too old. That is clearly ridiculous. Whatever the situation, an autistic boy needs speech and language therapy. The decision to provide it only for children up to the age of five is nonsense, and Dylan deserves better than that.

Sir George Young: Of course he does. I am not aware that there has been any change of policy by the coalition Government on this issue. I think that we are carrying forward the policy that we inherited, with which the hon. Gentleman may be familiar.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Does the Leader of the House agree with the Speaker, who strongly deprecates the practice of late transfer of oral questions by Government Departments at late notice? If so, what action does he intend to take on this matter?

Sir George Young: The answer to the question, "Do I agree with the Speaker?", is always yes. I should like to make some inquiries about the particular transfer to which the hon. Gentleman refers. If a question is transferred for good reason from one Department to another, then the Department to which it is transferred should reply promptly. If that has not happened, of course I will chase it up.

Valerie Vaz (Walsall South) (Lab): BBC online news has reported the execution of Shahla Jahed in Iran after nine years' imprisonment. Amnesty International said that there were flaws in the trial. May we have an urgent debate on women and human rights to discuss this case, and particularly that of Sakineh Ashtiani, who still remains under threat?

Sir George Young: The hon. Lady is absolutely right. I read today in the paper that tragic story of the execution and the circumstances in which it took place. There are real issues about human rights in Iran—the two cases to which she referred and many others. We have made constant representations to the Iranian embassy here and we are taking action through our European partners. I will of course raise her concern with my right hon. Friend the Foreign and Commonwealth Secretary to see whether there is any further action we can take.

Mrs Madeleine Moon (Bridgend) (Lab): May we have a debate in Government time about the disgraceful practice of banks, particularly in relation to internet bank accounts, whereby they set up headline promises of high interest rates that are subsequently changed so that it is virtually impossible to find out what rate of interest one is now obtaining? Should not banks be required to display on their internet sites, when the statement comes up, what level of interest is being paid on the account so that people know when they should be moving to other interest-earning accounts?

Sir George Young: I am grateful to the hon. Lady. She is right. Many consumers have found that the high rate of interest they thought they were earning on their account has come to an end without their being notified. We had a debate on the banks, I think, on Monday. However, I will raise with Treasury Ministers whether we have any plans to increase transparency about the interest earned on current accounts.

Stella Creasy (Walthamstow) (Lab/Co-op): Further to the answer that the Leader of the House gave to my hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop), I am delighted to hear that he agrees with the Speaker that the practice of late transfer of questions is despicable, and that they should be answered promptly. The Department for Culture, Media and Sport has decided to transfer questions on the impact of the abolition of school sport partnerships on participation in sport that were tabled by me and my hon. Friend the Member for Middlesbrough South and East Cleveland and were chosen in the ballot for answer this Monday. Furthermore, neither of us has received an answer from the Department for Education on this matter, or indeed a date when we can expect an answer. Will the Leader of the House therefore commit to coming back to the House with detailed explanations as to what he has done in talking to his colleagues about ending such practices?

Sir George Young: I am grateful to the hon. Lady. My hon. Friend the Deputy Leader of the House was in the Chamber when the original point of order was raised. At his initiative, inquiries are now being undertaken to find out what has gone wrong, and we will report back to the House in the usual way.

Mr Speaker: Order. I am extremely grateful to the Leader of the House and to colleagues for their co-operation, as a result of which 35 Back-Bench Members were able, in a pretty constrained time scale, to pose questions to the Leader of the House.

Linda Norgrove

12.39 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): With permission, I shall inform the House of the outcome of the investigation into the tragic death of the British aid worker, Linda Norgrove, who was taken hostage by insurgents in Afghanistan on 26 September, and who died during a US-led rescue operation on the night of 8 October.

As I informed the House in my statement on 11 October, initial reports about the rescue suggested that Linda Norgrove's death was cause by the detonation of a suicide vest worn by one of her captors, but new information came to light on the morning of 11 October that called that account into question. The Prime Minister therefore agreed with the international security assistance force commander General Petraeus, and confirmed with President Obama, that a full US-UK investigation would be launched, reporting to General Mattis, commander of US central command, with a remit to investigate the operation itself, the inaccuracy of the original accounts and to make recommendations for the future.

Today, I should like to update the House on the outcome of that investigation, but before I do so, I pay tribute to Linda Norgrove's family, who have shown inspiring strength, dignity and fortitude throughout their terrible ordeal. They, above all others, deserve to have the fullest account possible. Throughout the investigation, Foreign Office officials have been in close contact with the Norgrove family. Linda's parents, John and Lorna, were briefed yesterday on its outcome, and I met them this morning to discuss its findings.

I shall now report how the investigation was conducted, the conclusions it reached and what action will now follow. However, I must first remind the House that Her Majesty's coroner for Wiltshire and Swindon is legally responsible for determining the cause of death, and my statement today must not in any way prejudice the course of his inquiries.

The investigation team began work immediately, led by US Major-General Joseph Votel and British Brigadier Robert Nitsch. A 10-man investigative team worked for two and a half weeks in Afghanistan. It conducted interviews with all the personnel involved in the rescue attempt, and assessed hours of video evidence and hundreds of pages of documentary evidence. I am grateful to the investigation team for the thorough work it has done and for the willingness of our US allies to share their most sensitive operational information with us.

We judged that Linda Norgrove's life was in grave danger from the moment she was abducted, and we feared that her captors would pass her higher up the Taliban chain of command or move her to more inaccessible terrain. We also judged that the only credible prospect of securing her release was through a rescue attempt, which is why I authorised such an attempt to be made.

Locating and rescuing Linda Norgrove became the sole mission of approximately 1,000 US and Afghan forces, leading to significantly stepped-up activity in the region where it was believed she was being held. As a result of those intensive efforts, Linda's captors were tracked to two small groups of buildings high in the Dewagal valley in Kunar province, a region of steep mountain valleys and peaks ranging from 8,000 to 14,000 feet, which were accessible in most areas only by pack animal or by foot.

On the night of 8 October, a rescue attempt was launched following analysis and surveillance of the area. The rescue force, chosen for its operational knowledge of the area, specialist training and experience in carrying out hostage rescue operations, set off in two separate helicopters. The operation took place during the night in total darkness. US forces were required to land on the near-vertical incline of a rugged mountainside, 8,000 feet in height, within a narrow valley, and to assault a series of buildings built in to the steep slope on several levels.

On the basis of intelligence, analysis and surveillance, it was judged that Linda was being held in the upper group of two groups of buildings. One of the two teams of soldiers landed near the lower group of buildings. The team came under attack as soon as they left the helicopter. As the soldiers progressed towards those lower buildings, Linda Norgrove's captors came out and were engaged by the soldiers who were advancing on a narrow ledge and under threat. A grenade was thrown by a member of the rescue team—who feared for his own life and for those of his team—towards a gully from which some of the insurgents had emerged. When the grenade was thrown, no member of the team had seen or heard Linda Norgrove. All the actions that I have described so far took place within the space of less than a minute.

The team moved on immediately to the other group of buildings higher up the mountainside, where it was believed Linda Norgrove was being held. It was when the team returned to the first location that it became apparent that Linda had been taken by her captors into the gully into which the grenade had been thrown, and where her body was now discovered. She was examined immediately by the team medics. The investigation team had access to the provisional post-mortem results, which concluded that Linda Norgrove died as a result of penetrating fragmentation injuries to the head and chest. After the investigation, it is clear that those injuries were caused by the grenade.

This incredibly difficult operation was carried out with the utmost courage by elite US forces. The United Kingdom is grateful that they risked their own lives in the attempt to rescue Linda. They did so just as if she were one of their own. None the less, it is a matter of concern that the facts of how Linda Norgrove died were not made clear immediately after the operation was carried out. Initial reports suggested that she had died as a result of the detonation of a suicide vest because of the nature of the wounds found on the captor lying closest to her. The explosion observed was in line with the team's experience of suicide vests or other weaponry exploding. Although the US soldiers did report their own use of a grenade, it was not immediately reported up the military chain of command. It was only on later examination of the video footage that the possibility that a grenade was thrown became known to more senior officers.

The investigation team found that the failure to disclose information that a grenade was thrown breached US military law. As a result, members of the rescue team have been disciplined for failing to provide a complete and full account of their actions in accordance with US military procedure. I cannot announce any more details

[Mr William Hague]

of the disciplinary action taken by the military of another nation, but the fact that that action has been taken will confirm to the House how seriously the US authorities regard the matter.

As a result of the investigation, the US military is reviewing post-operation procedures to ensure that the true sequence of events in such complicated operations is revealed earlier and more accurately than was the case on that tragic occasion. In the aftermath of a rescue operation in which a hostage died, the US military is conducting a number of other reviews of the tactics, techniques and procedures involved in hostage rescue operations. Senior British military officers have been briefed on the results of the investigation and will ensure that the lessons learned from the operation are shared.

Following this statement, the US authorities will release their own statement on the outcome of the investigation, a copy of which I will place in the Library of the House. The coroner will now be able to conduct his inquest, which has been adjourned until the new year. Once he has issued his verdict, it will be possible for the investigating team to publish its findings, including judgments made by the investigators, but in advance of the coroner's verdict I cannot go into that greater level of detail.

Linda Norgrove's death was a terrible tragedy. Her parents have paid tribute to her inspiring devotion to the people of Afghanistan and her love for the country. I believe that all in this House will have been moved by her example and her dedication. Her parents have set up a foundation in their daughter's name that will honour her memory and fund projects that support education and health for Afghan women and children, including scholarships to help Afghan women to go to university. The House will want to join me in paying tribute to all those working to support the people of Afghanistan in extremely difficult circumstances, and in sending our sincere condolences to Linda Norgrove's family, as they come to terms with their irreplaceable loss.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Foreign Secretary for providing such a thorough statement today on such a tragic and difficult set of events, especially as he is constrained by the inquest procedures. I join him in sending our deepest condolences to the family and friends of Linda Norgrove and in paying tribute to Linda Norgrove's parents, John and Lorna Norgrove, who have acted with such great dignity and strength since the tragic death of their daughter. The House will want to wish well the Linda Norgrove Foundation, which they have set up to provide education and health and child care for women and families in Afghanistan, to continue the courageous and selfless work to which Linda Norgrove dedicated her life.

I thank the Foreign Secretary for the details of his response today. Linda Norgrove's family have made it absolutely clear that they are grateful for the bravery and efforts of the US special forces who attempted to rescue her, and the whole House will agree with the Foreign Secretary's tribute to their bravery. We are grateful that they risked their lives to attempt to save Linda Norgrove.

Operations such as the one launched by those US forces are of course high risk, and we must all recognise that success can never be guaranteed. The practicalities of that specific operation were especially difficult. I know that the House will also want to condemn utterly the actions of Linda Norgrove's kidnappers, who must take responsibility for putting her life at risk from the very moment of her kidnapping.

We welcome the swift conclusion of the inquiry and not only the commitment of the US forces to investigate the events, but their readiness to involve senior British personnel in the inquiry. That point was raised when the Foreign Secretary made his first statement on the matter and I am grateful to him for taking it forward.

It would be helpful if the Foreign Secretary would address a few further points about the inquiry's conclusions and the importance of the lessons that are being learned. He said in his statement that the special forces believed that Linda Norgrove was held in an upper group of buildings when in fact she was held in a lower area, in a gully. The operational conditions were clearly difficult, as he said, but will he tell the House whether the investigation examined the intelligence before the operation, or whether that will be done as part of the subsequent review? Can any lessons be learned?

Will the Foreign Secretary tell us more about the grenade that was thrown, including about the practice of using such grenades in a rescue operation of this nature? Was that covered by the investigation, or will it be dealt with in the US forces' subsequent consideration of such cases? Again, will lessons be learned?

The Foreign Secretary set out further information about why the facts did not emerge immediately, but it would be helpful if he would clarify part of his statement. He said: "Although the US soldiers did report their own use of a grenade, this was not immediately reported up the military chain of command." However, he also said that "failure to disclose information that a grenade was thrown breached US military law" and that members of the rescue team had been disciplined as a result. It was unclear from his statement whether the investigation concluded that the failure of information lay with the rescue team or the upward reporting processes. It would be helpful if he could give us clarity on the matter so that lessons can be learned.

The Foreign Secretary is aware of the considerable concern and confusion that was caused by the inaccurate information that was disseminated in the immediate aftermath of Linda Norgrove's death. At the time of the previous statement, I raised concern about the early information that was given to journalists by the Foreign Office and the apparent level of certainty that was given in responses about suicide vests and in reply to journalists' questions about grenades. Although he has provided details of why incorrect information was held, may I press him further on the certainty in the responses, because clearly there must have been considerable uncertainty about the events at that time, given the difficulty of the operations? Will he say whether Government communications have been reviewed in light of that?

Will the Foreign Secretary tell us how the outcome of the inquiry and the details of what he has said today came to be, regrettably, reported in *The Sunday Telegraph*?

I hope that that matter concerns him, given that the importance of accurate information has been at the heart of the case.

This tragic case reminds us all of the dangers faced by those who work so bravely to support the people of Afghanistan. The civilian effort in Afghanistan, especially working on the ground with Afghans in rural areas, is crucial to finding and sustaining a political settlement and lasting stability in the country. We all want Linda Norgrove's work in Afghanistan to be continued, and we pay tribute to her work and that which other aid workers are doing today.

Mr Hague: I am grateful to the right hon. Lady for her questions and wider remarks. She joined me in paying tribute to Linda Norgrove's family and extending the House's condolences to them, for which I know that they will be appreciative. The Prime Minister hopes to meet them this afternoon, and he will be able to convey the heartfelt condolences from all quarters of the House.

The right hon. Lady was right to pay tribute to the bravery of the forces involved who, as I said in my statement, operated in total darkness with no moonlight or artificial light of any kind. They disembarked directly into a hostile environment from helicopters that could not land because of the near-vertical nature of the terrain. She was also right to condemn those who were entirely responsible for this chain of events: the people who kidnapped Linda Norgrove and deliberately placed her in grave danger.

As the right hon. Lady acknowledged, the United States has been ready to involve UK officers at a senior level. Our brigadier has had full access to all information and has been fully involved in the investigation, so we have truly had a joint UK-US investigation.

The right hon. Lady was quite right to raise the report of the statement in *The Sunday Telegraph* at the weekend. I strongly deprecate any advance leaks of, or revelations about, statements to the House, especially those about such a matter. I have made that absolutely clear within Whitehall and I appreciate her reinforcement of that point.

The right hon. Lady asked about the initial information that we gave on the Saturday lunchtime after the rescue operation, when we said it appeared that Linda had died at the hands of her captors or due to the explosion of a suicide vest. We were clear about that because that was the unequivocal information that was given to the Government, and to our embassy and military in Afghanistan. Indeed, that was how senior US officers understood it. During our exchanges on the October statement, I think I said that if we err on the side of transparency, as we try to do in governmental matters these days, it can sometimes lead to apparent certainty. We made a correction as soon as possible. As soon as General Petraeus and his colleagues realised that an inaccurate account might have been given, he was straight on the telephone to No. 10 Downing street and the Prime Minister, and we immediately made a correction that morning. We will all reflect on the dilemma when balancing transparency and showing certainty. However, the Government gave the information that was available to them in good faith.

The investigative team examined the surveillance and intelligence that was available before the operation, and it will make further comments about that in its final report, which will be published at the time of the coroner's verdict. However, as the House will understand, any details that would reveal how we gather intelligence will, of course, have to be withheld. Nothing in the investigative team's analysis contradicts the overall analysis that all of us involved came to, which was that the best chance—the only credible chance—for Linda Norgrove to return alive was to mount a rescue operation. However, the team has examined the use of intelligence and the belief that she was being held in a particular group of buildings distinct from the group where she was actually killed.

It is hard for me to make further detailed comments about the use of a grenade without cutting across what the coroner might wish to pursue although, as I said in my statement, the investigative team will make further comments about that in its full report. We should be clear that it is not normal practice for special forces of the United States or the United Kingdom to use grenades—to employ explosive munitions—in a hostage rescue operation. Nevertheless, there are issues in this case about when a hostage rescue operation begins, because the troops involved believed that Linda Norgrove was being held in a different set of buildings from those around which they were fighting at the time a grenade was thrown. We have to understand that to be fair to all concerned.

The right hon. Lady asked about responsibility for not giving information in a timely fashion. I think that I can go so far as to say that responsibility lay with the rescue team, but not its junior members. The disciplinary action has fully reflected the responsibility of the individuals identified by the investigative team as not having passed on information in a timely way.

Richard Ottaway (Croydon South) (Con): I welcome the Foreign Secretary's statement, and join him and the shadow Foreign Secretary in paying tribute to the Norgrove family. The House will want time to digest the contents of the statement, but in the meantime, will my right hon. Friend say a little more about the procedure for authorising rescue attempts of this nature? He said that he had authorised such an attempt to be made. Was that part of a standard operating procedure, and did he actually give the order himself or did he delegate it to others?

Mr Hague: I gave the general authority for a rescue attempt to be made, based on the intelligence that we had received, which covered the intelligence and other information that we had received that gave rise to our fears that Linda Norgrove would be taken to more and more inaccessible places, and that she would be passed higher and higher up the Taliban chain of command. We were aware that her life was in grave danger at the time, and within a very short time after her kidnap. Based on that, the normal procedure is for the Foreign Secretary—in this case, with the knowledge and agreement of the Prime Minister—to give the authority for a rescue operation to take place, if he or she thinks that that is the right thing to do. It is also entirely common—and, as in this case, the normal procedure—for the actual details of such an operation to be worked out on the ground in Afghanistan by the forces involved, with a final go-ahead to be given by our representatives in Afghanistan, in this case in the British embassy. So that was the procedure involved.

[Mr Hague]

I would also stress that, in this case, all involved—the military commanders, the staff of our embassy in Kabul and everyone involved in COBRA here in London, as well as the Ministers involved—were clear that this was the best course of action. Risky as it was, the risks associated with inaction were greater. The procedure therefore involved an authority to proceed, which came from me, but with a final go-ahead based on the details cleared by our embassy in Kabul.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I thank the Foreign Secretary for his statement about my constituent, Linda Norgrove. He will of course be aware that her parents, John and Lorna, have sought not to apportion blame but to find the truth. From the outset, at a time of great personal difficulty for them, they have publicly expressed their gratitude for the transparency and openness of the Americans, and indeed from UK diplomats as well. They are now greatly involved in continuing Linda's work, and I wonder whether the wider Foreign Office, and perhaps other Government Departments, could help by highlighting and helping the foundation and its website, lindanorgrovefoundation.org, which was set up by her parents and which aims to continue Linda's great humanitarian work for women, families and communities in Afghanistan.

Mr Hague: The hon. Gentleman makes an important point. We will all want to support the foundation in different ways, and I particularly drew attention to it in my statement. It is inspiring that Linda's family have set up this foundation and are conducting this work for the future in memory of her life and work. There will be tremendous respect and enthusiasm for it across the House, and it is something with which the Government want to assist. Linda's parents have been to the Department for International Development this morning, after their meeting with me, to discuss how DFID might be able to assist with the work of the foundation. We will provide support where we can, in keeping with Government policy and the wishes of the family. The foundation will fund projects to support education and health for Afghan women and children, as I have said, and I think that it will serve as a fitting testimony to Linda Norgrove's dedication to the people of Afghanistan.

Mr Roger Gale (North Thanet) (Con): On international volunteers day, does my right hon. Friend agree that it behoves all of us who are able to sleep soundly in our beds at night to remember that there is an army of volunteers and aid workers around the world who are placing themselves in harm's way and in grave danger and discomfort in the interests of humanity? Will he assure the House that his Department will do everything in its power to recognise the service and courage of those people, as exemplified by Linda Norgrove, and to ensure that they receive as much help as possible in their work?

Mr Hague: Yes, and my hon. Friend's question forms part of the recognition for which he calls. We often rightly pay tribute in the House to the work of our armed forces and the sacrifices that they make as they try to bring security and stability to Afghanistan, but we must never overlook the work of others, including the many voluntary workers and aid workers who are doing their utmost to give assistance in many different ways. They do so out of their humanity, bringing their expertise and compassion to the people of Afghanistan, and it is absolutely tragic that someone who was simply seeking to do that for the benefit of humanity should have ended up in those tragic circumstances, and the victim of such a tragic death. That is a reminder of the risks that those people run, and of the need to recognise their efforts, as my hon. Friend has suggested.

Mr Philip Hollobone (Kettering) (Con): I congratulate my right hon. Friend on his decisiveness in making the very difficult decision to authorise this mission. Despite its outcome, that was clearly the right decision to make. May I urge him not to forget the wider context of all this? It is hugely impressive that ISAF managed correctly to identify where Linda was being held within days of her capture, and we came extremely close to liberating her. The actions of the military forces on the ground will act as a huge disincentive to other Taliban groups thinking of trying to do the same thing again.

Mr Hague: I am grateful to my hon. Friend. He makes an important point. We should recognise that the operation came tantalisingly close to success. Linda Norgrove was located in very difficult terrain, and the troops managed to get very close to her, despite having to fight their way in. Nevertheless, it was a failed mission, because the hostage was killed. We have to be very clear about that, but we must not lose sight of the enormous expertise, skill and bravery that was involved even in getting to that point and enabling us to have any prospect of rescuing a hostage in those circumstances.

Backbench Business

[12TH ALLOTTED DAY]

Publication of Information about Complaints against Members

Mr Deputy Speaker (Mr Lindsay Hoyle): For the convenience of the House, the three motions on standards and privileges will be debated together.

1.7 pm

Mr Kevin Barron (Rother Valley) (Lab): I beg to move,

(1) That this House approves the Sixth Report of the Standards and Privileges Committee, Session 2010-11, HC 577; and

(2) That accordingly—

a. The Commissioner may publish papers relating to complaints rectified or not upheld since the beginning of financial year 2008-09 and information about complaints received and matters under investigation since the beginning of financial year 2010-11.

b. Standing Order No. 150 be amended, by inserting the following new paragraph after paragraph 10.

"(10A) The Commissioner shall have leave to publish from time to time—

(a) information and papers relating to—

(i) matters resolved in accordance with paragraph (3) of this order;

and

(ii) complaints not upheld;

and

(b) information about complaints received and matters under investigation."

Mr Deputy Speaker: With this we will consider the following:

Motion on the Power of the Parliamentary Commissioner for Standards to Initiate Investigations—

(1) That this House approves the Seventh Report of the Standards and Privileges

Committee, Session 2010-11, HC 578; and

(2) That accordingly Standing Order No. 150 be amended, by leaving out paragraph (2)(e) and inserting in its place:

"(e) to investigate, if he thinks fit, specific matters which have come to his attention relating to the conduct of Members and to report to the Committee on Standards and Privileges or to an appropriate subcommittee thereof, unless the provisions of paragraph (3) apply.

(2A) In determining whether to investigate a specific matter relating to the conduct of a Member the Commissioner shall have regard to whether in his view there is sufficient evidence that the Code of Conduct or the rules relating to registration or declaration of interests may have been breached to justify taking the matter further."

Motion on the Lay Membership of the Committee on Standards and Privileges—

That this House agrees with the principle as set out in the Twelfth Report from the Committee on Standards in Public Life that lay members should sit on the Committee on Standards and Privileges; and invites the Procedure Committee to bring forward proposals to implement it.

[Relevant document: The Second Report of the Committee on Standards and Privileges, Session 2009-10, implementing the Twelfth Report from the Committee on Standards in Public Life, HC 67.]

Mr Barron: I am grateful to the Backbench Business Committee for providing debating time for the three motions relating to the Committee on Standards and Privileges. It is right that they should be debated and I welcome the opportunity to answer any questions that hon. Members might have about them. All three motions relate to unfinished business from the last Parliament and, to that extent, they can be seen as a package. However, each is free-standing and I will speak to them in turn, in the order in which they appear on the Order Paper.

By agreeing to the first motion, the House will bring its publication policy on the complaints handling process into line with best practice. The current regime, which greatly limits what is published, no longer meets legitimate public expectations. Sections of the media have been able to portray the way in which less serious breaches of the rules are rectified as "secret deals". There has also been inaccurate reporting of who is, and who is not, under inquiry, and what they might be under inquiry for. By enabling the commissioner to publish the information, the House will ensure that it is both accurate and complete. The alternative is to leave us exposed to unfair allegations of cover-ups and to allow the media to continue to set the agenda for us, often on the basis of inaccurate or incomplete information.

Under the new policy, each month the commissioner will publish on his web pages statistical information about the number of complaints and self-referrals he has received, the number he has accepted, and the number he has not accepted. He will not publish the names of Members who have been the subject of complaints that he has not accepted for inquiry or the details of those complaints. To do so would be unfair and would encourage malicious complaints and publicity seekers. To put this into perspective, if the new policy had been in place in 2009-10, no details of the 245 complaints that were not accepted for inquiry would have been published. All that would have been published would have been the information on the 72 complaints that were inquired into.

As for complaints that are accepted, each month the commissioner will list on his web pages inquiries that are under way, including in each case the name of the Member who is subject to the inquiry, with a brief description of the nature of the allegation and an indication of whether the inquiry is active or has for any reason been suspended. Other than in exceptional circumstances, which would have to be approved by the Committee, he will not publish other information about specific inquiries while they are under way. As our report makes clear, the commissioner already confirms or denies to inquirers that a complaint against a named Member is being investigated. The change will introduce consistency into a process that at the moment is random and largely media-driven.

The commissioner will also publish on his web pages his determination letters on specific complaints or allegations that, after inquiry, have either not been upheld or have been rectified as soon as possible after they are produced. He will also publish relevant evidence he has received about such cases. In the Committee's view, it is in the best interests of the Member concerned and of the House that where evidence of a possible breach has been fully investigated but the allegation has

[Mr Barron]

not been upheld or the matter has been rectified with the commissioner's agreement, both the decision and the reasons for it should be made public.

It is perhaps worth repeating that complainants—some of them politically motivated—have always been free to publicise the outcome of the commissioner's inquiry into a complaint that is either rectified or not upheld, but at a time and in a manner of their own choosing. That unregulated state of affairs will be replaced by one that is consistent and, I believe, fair and that is under the authority of the House. Publishing the information will help Members to set the record straight publicly and will go some way to redressing the balance.

The motion also proposes that historical information going back to April 2008 should be published. I know that that has caused some concern, but the reason for backdating the information is to make it broadly consistent with other recent decisions of the House to introduce greater transparency. I remind the House that, contrary to what sections of the media have claimed, the commissioner's determinations are not secret. Much of it is already out there, although often in incomplete form, because complainants have always been free to publicise the outcome of their complaint. By allowing the commissioner to publish his determinations and the relevant evidence, the House will ensure that what is published is both accurate and complete. If the House supports the Committee's proposal, the commissioner will start to publish information on his web pages later this month.

Tony Lloyd (Manchester Central) (Lab): For the record, is my right hon. Friend in a position to tell the House how many of the complaints that the commissioner accepted for investigation resulted in a finding against the Member and how many were dismissed at that stage?

Mr Barron: I quoted the figures from the commissioner's last annual report. During the time of the leaks, *The Daily Telegraph* and everything else, 245 complaints were never followed up whereas 72 were. My hon. Friend will know that they were not necessarily all upheld, and in such cases the commissioner wants to say that in terms so that there can be no equivocation.

The numbers that are investigated and the number of complaints that are not upheld are sometimes published by the commissioner, as my hon. Friend will know, through the commissioner giving a memorandum to the Committee and the Committee doing its own investigation on that basis and publishing it. All the information has been around in the House in one form or another for many years—since before I became a member of the Committee. I do not have the exact figure for the number of people among the 72 whose cases were followed up who were not found to have done anything wrong. If my hon. Friend is interested, I will try to get that figure from the commissioner, but we must recognise that the commissioner works independently from the Committee, although we have contact with him.

The second motion seeks to implement a recommendation of the Committee on Standards in Public Life—I think we used to call it the Kelly committee—that the commissioner should be able to carry out an inquiry without receiving a complaint. As my Committee's seventh report points out, that would bring the House's procedures into line with those of the House of Lords and of the compliance officer. It will also allow the commissioner to investigate a matter that has been reported on by the compliance officer and that raises code of conduct issues. For the first time, it makes proper provision for self-referrals, although they will continue to be subject to the Committee's agreement.

There is a risk, as the report acknowledges, that giving the commissioner such a responsibility might raise public expectations that each and every allegation will be investigated or that the commissioner will turn into some kind of witchfinder-general. Let me make it clear that that is not going to happen. The Committee does not want it and the commissioner is not asking for it.

The amendment to the Standing Order provides for the commissioner to inquire into

"specific matters which have come to his attention".

There is also a built-in requirement that there must be sufficient evidence of a possible breach of the code or rules to justify taking the matter further. In the 245 cases in the last annual report there was no evidence and they were not acted on. A lurid newspaper headline or unsubstantiated speculation will not lead to an inquiry. The process must be driven by the evidence and the evidence must come to the commissioner.

It is important, as my Committee's report recognises, that the commissioner has the resources he needs to do his job. We supported the temporary expansion of his office to deal with the increase in the number of complaints over the past two years and, if necessary, we will do so again. However, there is no expectation that that will happen. The current work load is somewhat smaller than that of 12 months ago.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I apologise to the right hon. Gentleman for missing his opening remarks, but it was his subsequent remarks that I wanted to hear. Will the motion allow right hon. and hon. Members to make self-referrals, which we know the commissioner discourages?

Mr Barron: It would do that. Self-referrals would carry on and, indeed, there has been one since the election. However, self-referrals will still have to come in front of the Committee and the commissioner will effectively ask permission, although we do not direct the commissioner by giving permission or telling him not to do things. He works independently of the Committee. Self-referrals will carry on in much the same way as they do at the moment.

Of course we can all help to ensure that the commissioner has the resources to do his job by acting at all times in full compliance with the code of conduct and the associated rules. Members of this House decide what workloads are and whether treatment is fair or unfair by what we do on a regular basis.

The third motion, tabled in the name of members of the Committee on Standards and Privileges, was not on our original shopping list, but we are grateful to the Backbench Business Committee for adding it to today's business. It relates to a proposal that was put to Sir Christopher Kelly and the Committee on Standards

in Public Life by our former Chair, now the Leader of the House, to add lay members to the Standards and Privileges Committee. The proposal was supported by the Kelly committee in its 12th report. Lay members already serve on the Members Estimate Audit Committee and they will soon sit on the Speaker's Committee for the Independent Parliamentary Standards Authority. Lay members provide the public with reassurance that the Committees are not cosy gentlemen's clubs, where deals are stitched up and scandals are hushed up. They can also bring valuable outside experience and expertise with them. It is common practice for standards bodies dealing with the professions to have lay members, and in the view of the Committee on Standards and Privileges it should be the practice here too. I say that as a now former lay member of the General Medical Council; I spent nearly nine years in that role, sitting with various clinicians.

That said, adding lay members to one of the House's senior Committees raises some important questions. For example, the Committee on Standards in Public Life recommended that the lay members should have full voting rights on the Standards and Privileges Committee. The question is whether that would mean that the lay members could vote on matters relating to privilege. I assume not. I know that the Clerk of the House has reservations about allowing lay members to vote at all, because he wrote to me about it following the publication of the motion. In practice, of course, we have to recognise that any decision of the Committee that was not supported by the lay members present would lack public credibility. It may be that the lay members will not need to have a formal vote to have a decisive influence.

The Procedure Committee might wish to consider other questions identified in my Committee's report, such as how many lay members there should be and whether they should form part of the Committee's quorum. The Kelly committee suggested there should be two lay members, but a case can be made for more than two. I hope that the Procedure Committee will wish to consider that. We also suggested that lay members should receive modest remuneration, directly related to the volume of work that they carry out. We felt strongly that to provide the public with the greatest possible confidence in their appointments, the lay members should be appointed to the Committee but not by the Committee. The Procedure Committee may wish to consider what would be the best way of making the appointments, what qualifications those appointed should have, what should be the term of the appointments, and who should be involved in making them.

My Committee's understanding until recently was that progress on the issue was being held up by the Government's work on their recall policy. However, a recent letter from the Leader of the House to Mr Speaker has put us right on that, and the House has now been given the green light to proceed. In the Committee's view, the best way forward is to ask the Procedure Committee to come up with some workable proposals for putting the matter into practice. It is an important reform and it needs to be got right.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Many of us are very concerned about whether these three proposals will improve the system's ability to ensure that justice is done for people who are referred to my right hon. Friend's Committee. We feel strongly that over the past two or three years, the way in which people have been referred to his Committee has been partial. Some have been referred and a report made, leading to a prosecution by the police. Others have never had the opportunity to put their case before the Committee. Will these three changes bring some sense of justice back to what goes on?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Interventions have got to be shorter.

Mr Barron: Only one referral of the nature that my hon. Friend sets out has happened in my five years on the Committee, and the matter is out of the Committee's hands. My understanding is that it happens elsewhere and is not done by the Committee. As I emphasised earlier, there has to be an evidence base for any complaint that is taken up and investigated by the commissioner. The last annual report showed that 245 cases had not been pursued because there was no evidence, but that 72 had been, although some of the Members involved will have been found to have done nothing wrong. I commend the motions to the House.

1.23 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I am grateful, as I am sure the House is, to the Standards and Privileges Committee for its work in the last Parliament, to the Committee on Standards in Public Life, and to the current Chair and members of the Standards and Privileges Committee who have tabled the motions. I am grateful also to the Backbench Business Committee for providing this time today. These are the first substantive motions that have arisen from a Select Committee report to be considered on a Back-Bench day, and the Government are frankly delighted that the House can now make progress on House matters without first requiring a ministerial seal of approval. Should the motions be agreed to, they will prove that Parliament no longer needs to look to Government for help in putting its house in order, but has the independence, power and political will to do so of its own volition.

The Government fully support the three motions in the name of the right hon. Member for Rother Valley (Mr Barron). On the publication of information about complaints against Members, the failure to publish details of rectification has clearly led to some negative stories that have tarnished the House's reputation. The lesson from the last Parliament is that openness is the only way to allay public unease and suspicion. The process of rectification is typically used when the commissioner is satisfied that the Member concerned has made an entirely honest mistake, acknowledged the mistake, apologised and repaid any money that was wrongly claimed. Publishing the information will briefly embarrass the Member concerned, but withholding it would be damaging for the whole House in the longer term.

I wish to make one point for the record that I hope the commissioner will bear in mind. As those who have been under investigation can testify, the knowledge that a Member is under investigation can itself damage their reputation. That can be exacerbated by the length of

[Mr David Heath]

time that an inquiry can take—sometimes well over six months. That results in some people concluding that if it is taking that long, something must be up. To mitigate the problem, it would be sensible for the commissioner to be equally open about the process of investigation, for example by providing details of when it began and where the Member has reached in the queue for investigation. That would go some way to ensuring that while we create a more transparent approach, Members are not subjected to open season by political opponents.

Mr Sheerman: May I renew my plea that, after the reforms come in, we must not have a situation such as in the past, when some people have seemed to get a full investigation and some have been referred to the police? All of us who were in the House remember the cases of Ian Gibson and others whom we believed were not given real justice, either by the Standards and Privileges Committee or in what happened to them subsequently. Has anybody trawled back through what happened to those people, and assessed which parts were correct procedure and which were not?

Mr Heath: The hon. Gentleman has already intervened on the Chair of the Standards and Privileges Committee on that point, and I really do not think it is a matter for Government. It is most important that it should not be. We must have a process that is just to all concerned, but equally rigorous for all concerned. When there have been instances in which Members have sadly fallen far short of what is required not just by the rules of the House but by the rules that apply to any other citizen in the United Kingdom, it is right that investigations should take place elsewhere.

Mr Sheerman: I am not asking the Government to do anything; I am merely asking that we all reflect on the fact that those of us who were in the House before the election know that some cases were taken up and others, which we thought were even worse, were not taken up. That is the point—justice was not done on an even basis. If the three motions today will set that right, I will be happy with them. If they do not do that, I will be very unhappy.

Mr Heath: I do not think that I can add anything to what I have already said. This is a matter for the Standards and Privileges Committee and for the commissioner, and certainly not a matter for a Minister at the Dispatch Box to comment on, other than to say that I hope that justice will always be done in the most transparent way.

Mr Barron: I have two points to make in response to my hon. Friend the Member for Huddersfield (Mr Sheerman). First, I do not believe that Ian Gibson ever went to the Parliamentary Commissioner for Standards or in front of the Committee. Secondly, on a wider matter, discussions are currently taking place between the compliance officer, the commissioner and others on a memorandum of understanding about referrals, and whether cases will go to different organisations rather than to the commissioner and then on to the Committee.

Mr Heath: That is a very helpful intervention, and of course the landscape has changed since a year or so ago. We now have the compliance officer in the Independent Parliamentary Standards Authority, who is responsible for investigating some matters. Having that memorandum of understanding seems to me a very positive way forward.

I mentioned the time that investigations sometimes take and the adverse effect that that may have on a Member's reputation. As I said, it would be sensible for the commissioner to be open about the process of an investigation, such as when it began and where a Member had reached in the queue, to ensure that we have a more transparent approach. It is also important that Members know at the first opportunity that a matter relating to them is under investigation. It should never be the case that a Member hears that from the press or from a political opponent.

The Government support the move to give the commissioner a power to initiate investigations, which, to an extent, ties up a process started by the Parliamentary Standards Act 2009. Without that power, the commissioner would not be able to act on referrals from the Independent Parliamentary Standards Authority compliance office. That would clearly be unsatisfactory, because the House would not be able to take action against a Member who had knowingly submitted an improper expenses claim. However, this issue goes wider than that; it is absurd that allegations about a Member's conduct can be splashed all over the newspapers, yet the commissioner is powerless to investigate unless he receives a complaint from a member of the general public. That is an unnecessary hurdle. If we can trust the commissioner to use his good judgment to carry out investigations, we can trust him to decide when to initiate them.

Finally, the Government support the principle, first advocated by my right hon. Friend the Leader of the House, that the Standards and Privileges Committee should be strengthened by the presence of lay members. Although that is ultimately a matter for the House, the Government take an interest, given the commitment in the coalition agreement to establish a right to recall Members who have been found guilty of serious wrongdoing. There is obviously a potential role for that Committee in the process of adjudication on recall cases, and the presence of members from outside Parliament will help to build people's confidence in our system of internal compliance. In supporting that, we note the concerns expressed by the Clerk of the House, to which the Chairman of the Committee referred, that if lay members are given full voting rights, they might not enjoy the protection of privilege or their presence might compromise the Committee's position based on privilege in respect of judicial review. The Procedure Committee will want to look particularly closely at that, while the Government will be taking a close interest as part of the ongoing work on the draft parliamentary privilege Bill.

Mr Jenkin: I am very grateful that my hon. Friend has addressed the question of privilege and lay members, and I am grateful for the Government's measured and sensible response to this approach. However, does it not begin to advance the argument in favour of having a standards committee that is separate from a privileges committee? If there really are two functions that require lay members to be involved in one function and not the other, should we not have two separate committees, permanently? I shall discuss that in my remarks later.

Mr Heath: The hon. Gentleman makes a very important point, and that is another matter that the Procedure Committee needs to examine carefully. I hope that it will take full account of the recommendations that the Standards and Privileges Committee has already made on this subject, particularly on the separation of standards cases, where lay members will have a role to play, and privilege cases, which should rightly remain the exclusive business of the House. The Procedure Committee will wish to examine whether that requires two committees or the Standards and Privileges Committee meeting in a different form, with different arrangements for the two classes of consideration.

The Chairman of the Standards and Privileges Committee makes the important point that lay members would not necessarily require full voting rights, as long as it clearly states in the Committee's reports whether the lay members supported the conclusions and recommendations of the rest of the Committee. That imprimatur is the important aspect in determining whether the Committee's response not only has credibility, but is seen to have credibility by all those who are interested in the matter.

Mr Sheerman: Is the hon. Gentleman absolutely sure about all this? This is a very important point, because in his earlier remarks he said that the Government should not be involved, but he subsequently said that the recall element meant that they should be involved. The recall element is very important. Can a Member be recalled only when they have been through the Committee and been found wanting? What about Members of this House who were prosecuted, never having had the opportunity to go through—

Mr Barron *indicated dissent.*

Mr Sheerman: My right hon. Friend is shaking his head, but people were prosecuted, and people are being prosecuted, without having gone through the Standards and Privileges Committee process; they were just taken down to the police station and charged. Where is the equality there? Do we have recall in both Houses or both—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We have to be very careful that we do not get into matters that are sub judice. I know that the hon. Gentleman was careful in what he said, but we are drifting into an area that we need to keep away from.

Mr Heath: I shall be equally careful not to enter that area, Mr Deputy Speaker. We have yet to introduce our proposals on the powers of recall; those will be in future legislation. Obviously this matter will be under consideration when we draw up the proposals for that Bill. Clearly, there is the potential for a trigger to reside with the consideration of the Standards and Privileges Committee or in a court decision. The House will have to determine that in due course. We also hope to introduce a Bill on the matter of privilege. Again, we will have to take great care to understand the points made by hon. Members in this debate and in others, and the response of the House in its decisions. We will have to ensure that we have covered, as far as is possible, any points raised on the matter of the draft legislation on privileges, which we anticipate introducing at a later stage.

Mr Mark Field (Cities of London and Westminster) (Con): Will the Minister give an assurance on the Floor of the House today that, whatever the Government come up with on the recall of Members of the House of Commons, there will be a parallel process for those from the other House who offend? Clearly they cannot be recalled, because they are appointed through a process of patronage rather than elected by the public. Can he assure us that they will also be held to account, in a way that they palpably have not been on their expenses scandals, which I suspect are still at a relatively early stage?

Mr Heath: The hon. Gentleman raises an extremely important point. Again, I do not want to pre-empt draft legislation that has not yet been put before the House and is under consideration. As he knows, an all-party body is considering the matter of House of Lords reform, but I believe that I can, without betraying any confidences, say that it is very much in our thoughts that there has to be a process of recall for both Houses of Parliament, and for other senior elected offices, which is broadly compatible. What we should not have is a different regime in different circumstances where wholly different considerations apply. If the public are to have a power of recall, it must be applicable to senior decision-making positions in elected office across the piece. I believe that that would include the upper House but, as I say, it is not for me to pre-empt the draft Bill that I hope will be before the House early next year.

Mr Sheerman: On a point of order, Mr Deputy Speaker. How can we make a decision about this important aspect today, given that the Minister has just told us that the Government have not even decided what they are going to do about recall, or whether recall can be sparked off through the Standards and Privileges Committee or through a criminal case? What sort of rule is this?

Mr Deputy Speaker: In fairness, the hon. Gentleman has raised a point, but it is not a point of order and the House is debating the issue .

Mr Heath: There is nothing about recall in the motions put before us by the right hon. Member for Rother Valley—

Mr Sheerman: You brought it up.

Mr Heath: I responded to a point raised in debate. I am attempting to help the right hon. Member for Rother Valley and his Committee put matters before the House and indicate that the Government support his view. I am very happy to rest my position on that point.

Mr Sheerman: Further to that point of order, Mr Deputy Speaker. I think that, unintentionally, the Minister is misleading the House because—

Mr Deputy Speaker: Order. I think that the hon. Gentleman needs to withdraw that remark.

Mr Sheerman: Mr Deputy Speaker, I said—

Mr Deputy Speaker: Order. I am not having the hon. Gentleman say that the House is being misled.

Mr Sheerman: Mr Deputy Speaker, I said "misleading" but the Minister did not mean to mislead the House. However, he did say that he was responding to an intervention—he was not; he mentioned the recall problem during part of his speech.

Mr Deputy Speaker: That is not a point of order, but the hon. Gentleman has certainly got on the record the point that he wanted to make.

Mr Heath: Actually, I think the matter was referred to by the Chairman of the Standards and Privileges Committee.

Mr Barron: What I said in my speech was that we thought that the question of lay members serving on the Standards and Privileges Committee was being held up because of the likelihood of a recall Bill. The reason the motion is on the Order Paper today is that it is about having lay members on the Committee—certainly in respect of standards—so that people can have more confidence that the Committee is not about gentlemen or gentlewomen looking after other gentlemen and gentlewomen.

Mr Heath: I thank the Chairman of the Standards and Privileges Committee for making that clear. We have had enough of this House appearing to be a cosy club for its own benefit. The previous Parliament took steps towards improving the situation. What we are debating today is a continuation of that process, and I commend it to the House.

1.40 pm

Helen Jones (Warrington North) (Lab): Let me begin, as the Deputy Leader of the House did, by thanking my right hon. Friend the Member for Rother Valley (Mr Barron) and his Committee, as well as its predecessor Committee, for the considerable amount of work they have done on these issues. They are difficult issues for the House to grapple with, and we want to get the detail right. That view is widely shared across the House. It is good that we are debating these motions today, because hon. Members can be reassured about any issues that they want to raise.

We on the Opposition Front Bench support all the motions. We believe that greater transparency will help the House in future and alleviate any fears that the public might have about our being a cosy little club. That is important in increasing public confidence in the procedures of the House, and it will also be to the long-term benefit of hon. Members. However, I have one or two queries that I want to put to my right hon. Friend that I hope he will be able to deal with when he winds up.

The first motion would allow the Parliamentary Commissioner for Standards to publish papers relating to complaints that have either not been upheld or been dealt with through the rectification process. My right hon. Friend is quite right that the current practice—whereby the commissioner publishes details on the number and type of complaints received in his annual report, along with details of outcomes—does not give sufficient information to the public. His Committee has pointed out that the commissioner responds if he is asked whether a complaint about a particular individual has been received. The Committee has given good reasons for the change that it proposes today. However, I would be grateful if my right hon. Friend elaborated a little on why it decided to introduce an element of retrospection. He said that the proposal would bring the complaints procedure into line with practices that have been adopted elsewhere in the House. However, I am sure that he would agree that this raises the possibility of complaints that have long been dealt with being reopened, through the media and other means, and often where Members have left the House. I hope that when he sums up this debate he will elaborate on exactly how his Committee considered that point, and on why it came down on the side that it did.

There is also an issue, which I am sure my right hon. Friend will recognise, about publishing evidence on complaints that have not been upheld. He was right to say that on many occasions that will assist hon. Members, by showing that the complaint against them was completely unfounded. However, there is also a risk that the whole affair will be reopened. I wonder whether he could elaborate on what kind of evidence the commissioner will publish on such occasions, and on how he will decide what should be published and what should not.

For those under investigation, the need for transparency has to be balanced with their right to a fair consideration of the complaint against them, as it would be in any walk of life. The House is no different in that respect from anywhere else. However, the reputational damage that can be caused to a Member, even where a complaint is not upheld, is considerable. Given that the commissioner has always recognised that a Member's reputation should not be risked without proper cause, and given that he has also noted that there is a spike in complaints in the run-up to a general election, will my right hon. Friend say what consideration his Committee gave to that question? Could the Committee and the commissioner together develop a code of practice on what can be published in the run-up to a general election, so as to avoid a huge rise in politically motivated complaints that are not upheld, but made purely so that someone's opponent can issue newsletters saying, "MP X is under investigation by the Standards and Privileges Committee"?

Mr Sheerman: My hon. Friend is a highly trained lawyer, but, for those who are worried about the proposal, let me say that we believe in transparency—we campaigned for a better system—but we also want that balance, with justice for all Members, so that they are treated in a fair and democratic way.

Helen Jones: I am a lawyer, but I am not sure that I am a highly trained one—I am certainly a very out-of-practice one. I recognise that my hon. Friend has a long record on campaigning for more transparency, but there is always a balance to be struck between the need for fairness to those under investigation and the need for transparency. We all recognise that it is not necessarily easy to draw the line. The Committee has done an excellent job in trying to make proposals that achieve the right balance, but it is not always easy. I hope that my right hon. Friend the Member for Rother Valley will consider that point about the run-up to a general election, which is a consideration for Members in all parts of the House.

The second motion would give the commissioner the power to initiate an investigation. That sensible move might increase the access to justice that my hon. Friend the Member for Huddersfield (Mr Sheerman) mentioned, because it would allow the commissioner to look at things that are perhaps aired in public, but not necessarily referred to him. I know, too, that there has been some concern among hon. Members about allowing the commissioner to act pursuant to a finding by the compliance officer of the Independent Parliamentary Standards Authority. That is not because hon. Members do not want there to be a compliance officer; it is because there is some concern about the procedures adopted by IPSA. However, I understand—I am sure that my right hon. Friend the Member for Rother Valley will confirm it—that it will still be for the commissioner to decide whether there is a case to answer, according to the same standards that he applies now, when he considers whether the rules of the House have been breached. I hope that that provides some reassurance to hon. Members.

The final motion will probably present us with the most difficulties. We are being asked to agree in principle to two lay members being appointed to the Standards and Privileges Committee. We support that move, but there is no doubt that if the House agrees the motion, there will still be a lot of work to be done. The Committee on Standards in Public Life said that lay members should be chosen through what it called

"the official public appointments process".

Much as we love the Committee on Standards in Public Life, and much as we acknowledge that its knowledge of the rules of the House is deep and abiding, the problem is that none of us knows exactly what the official public appointments process is, because it differs according to which organisation one is dealing with. Therefore, we will first need the Procedure Committee to look at appointments. However, I hope that we do not get another round of the same, small coterie of the great and the good being appointed. There is a quangocracy out there, and I personally would like members of the public who have not previously been involved to be appointed.

Mr Charles Walker (Broxbourne) (Con): What is certain about the recruitment process is that we will have head-hunting firms earning a lot of commission from the taxpayer. That is causing a number of people in this place a great deal of concern.

Helen Jones: The hon. Gentleman makes a fair point. When the Procedure Committee looks at the issue, I hope that we will be able to avoid that. With great respect to all the ladies and gentlemen who serve on many committees, I do not want to see the usual suspects. I would like to see people who have not been involved before and who bring an entirely different perspective.

Mr Jenkin: The third motion concerns by far the most contentious matter before the House this afternoon. As Chairman of the Public Administration Committee, which is responsible for the public appointments commissioner, I can attest to the fact that what the hon. Lady is saying is absolutely correct. I do not think that Whitehall is the model of how to make public appointments, and in any case there comes a point where, even if we are bringing lay members into House, it should be this House that appoints them, not necessarily ex-civil servants who do not understand how the House works.

Helen Jones: The hon. Gentleman makes a very fair point and he brings a lot of expertise from the Public Administration Committee. Having battled for many years to get more people from the most health-deprived or socially deprived areas of my constituency appointed to health trusts and as magistrates, I have great sympathy for the points he makes. I hope that the Procedure Committee will take those remarks on board and consider different ways of finding lay members to assist the House.

Mr Sheerman: Many of us on the Back Benches could be persuaded of the value of lay members, but the House is a strange place with a strange culture, so local knowledge is needed. Anyone who believed that what had happened to Members in the past 18 months or two years did not depend on the Whips and party leadership would have to think again.

Helen Jones: As a former Whip, I would have to say that the Whips always act in the best interests of those whom they serve and that they are known for their understanding, kindness and gentleness. However, my hon. Friend makes a fair point. Whoever is appointed will need induction into the rules and procedures of the House, just as Members need that induction when we first arrive here. The Procedure Committee could consider that.

One issue to consider is whether the lay members would have voting rights. My right hon. Friend the Member for Rother Valley made a fair point when he said that any decision that was not supported by the lay members would not be trusted by the public. Previously, his Committee has assumed that those voting rights would be confined to issues of standards and not to privileges. Perhaps we should consider splitting the Committee in dealing with those very different issues.

Another possible problem has been pointed out by the Clerk: lay members might not be covered by privilege when they take part in a Committee investigation. If that is the case, the House will face the difficult decision of whether to extend qualified privilege to non-Members. That would have huge implications for the future business of the House and would have to be considered very carefully by the Procedure Committee, who are the right people to do so. I have absolute faith that the Committee would consider the issue in detail, but I suspect that the inquiry would be long and comprehensive. The Committee already has a number of issues to deal with, so we are giving it a great deal more work, but it is most fitted to undertaking that work. These are matters for the House. I know that hon. Members want to be satisfied on a number of issues before we vote on them, and I hope that my right hon. Friend the Member for Rother Valley will respond to some of those issues when he sums up. We commend the motions to the House.

1.53 pm

Peter Bottomley (Worthing West) (Con): One of these three issues—ensuring that resources are available to the Parliamentary Commissioner for Standards—is vital. It is a tragedy and a disgrace to the House that we did not do this when Elizabeth Filkin was the commissioner. There is not enough time to go back over all that now, but the House does not have a very good or consistent record.

[Peter Bottomley]

The question of whether lay members will have privilege should not be too difficult. Presumably, we extend privilege to the commissioner, so we ought to be able to extend it in the same way. I do not have a view on whether we should go for a sub-committee of Members only to deal with privilege issues. I shall not argue against the proposal on lay members, but I note that the provision that they cannot have been a Member of Parliament before would exclude someone such as Martin Bell who would be eminently qualified to be a lay member, but that might be the rough justice we will have. I suspect that if there were lay members, we could avoid hon. Members having the dilemma that he and I faced when we were members of the Privileges and Standards Committee and agreed, in one or two cases that we considered, to use the criminal burden of proof rather than the balance of probabilities. I think that we made a mistake; I think he acknowledged that in a book and I am perfectly willing to say now that we did make a mistake. Again, however, the reasons behind that are not for discussion today.

Paragraph 25 of the Privileges and Standards Committee's HC 67 report says that the Committee had "read with some concern" the suggestion of the Committee on Standards in Public Life that

> "MPs should be required to register positions of responsibility in voluntary or charitable organisations, even if unpaid, together with an indication of the amount of time spent on them."

Bluntly, I would ask that Committee why not spend more time looking at what MPs do in our job rather than what we do with our spare time? In my time at Parliament, I have been a trustee of Christian Aid, chairman of the Church of England Children's Society, a member of the council of Mind—previously the national association for mental health—and a member of the council of Nacro. I have also been involved with other, less nationally prominent, organisations. I do not think that I would have accepted the invitations to take those positions if I had thought that I would have to log the amount of time I spent going to and at meetings, and I doubt whether I would have taken on the position of being parliamentary warden of St Margaret's at Westminster. There is a whole range of issues on which that Committee ought to wake up, and if it wants to take advice from me publicly or privately I shall offer it.

Mr Jenkin: Is not the corollary of that recommendation that an MP who went on a holiday to learn how to paint watercolours would have to fill in a form and register it because that would be time spent not as an MP but doing an unpaid extracurricular activity? Why not register everything we do not do for Parliament in our spare time?

Peter Bottomley: I think my hon. Friend makes the point that if we registered what we did not do we would probably have a longer list than if we registered what we did do. The key point is that the general aim of having transparency matters.

The first of the motions introduced by the right hon. Member for Rother Valley (Mr Barron) concerns publication. During my time in Parliament, there have been two or three cases in which I have been rather proud of my approach to them and the persistence I maintained. However, two of them ended up with accusations being made against me of being a paedophile, one of which was swallowed by a national newspaper, which published in 2 million copies a case against me. If a Parliamentary Commissioner for Standards took media attention as a basis for starting an investigation, I would object. As it happened, in that case, no other newspaper copied the allegation, and the first settled, at pretty heavy expense to it, and made a damages payment. I wish those events had not happened, but the case involved people whom I had upset. They were bad, mad or sad; I was bold and pretty decisive, and there ended up being a series of allegations against me.

In a second case, a constituent whom I had helped complained to the commissioner that I had taken obscene photographs of his children. The commissioner found that there was no case to look into, but if that person had gone to the papers and they had run the story as they normally would, under the current arrangements the commissioner would have had to look into it. We have to be aware of such dangers. We cannot legislate against all possibilities, but we have to be careful about saying that just because there has been media attention, the commissioner should get involved.

Mr Charles Walker: I hope that the person who made that allegation was investigated by the police and faced the full force of the law, because that is outrageous.

Peter Bottomley: That may be, but the issue is that it was done and that the people who do such things are not always thinking straight. That is not my problem. The issue is that the commissioner should be very careful about taking the decibels as a reason for launching an investigation.

1.58 pm

Tony Lloyd (Manchester Central) (Lab): First, I hope that the Deputy Leader of the House and the Leader of the House, both of whom have a deserved reputation for courtesy, made a big mistake when they tried to take these matters through without debate. The very fact that we have had this debate is evidence that it is important to take such matters on the Floor of the House. I hope that that point will be taken on board by the business managers who allocate time on the Floor of the House.

These important matters reflect on and affect the public view of us individually and collectively as Members of Parliament. I was grateful to the hon. Member for Worthing West (Peter Bottomley) for his remarks. The examples he gave indicated the serious problems that Members can face when people, for whatever reasons, bring charges against them that leave those Members—owing to the nature of their public role—at least with difficulties defending themselves. It is important that our procedures reflect the gravity of that situation.

I want to make a few points for my right hon. Friend the Member for Rother Valley (Mr Barron) to take back to his Committee, about whose reports the House needs reassurance—although I am not saying that they represent the wrong direction of travel. We need reassurance that there is recognition of the important implications of the new procedures. My first point relates to the commissioner now putting it into the public domain

when Members are under investigation. That may or may not be the right thing to do, but we should recognise that it will increase enormously the pressure on those Members. In practice, that is not necessarily in line with procedures used by other investigatory authorities. However, given that the commissioner has adopted the practice of responding to freedom of information requests, it might be better for Members if all such incidents were in the public domain.

My hon. Friend the Member for Warrington North (Helen Jones) made a serious point: this procedure could be used, in the run-up to an election, in a deliberate attempt to sully the reputation of Members of Parliament seeking re-election. We have to guard against that. I hope that the Committee and the commissioner will reflect on today's exchange and consider whether a code of practice can be devised to prevent those who go beyond the bar of frivolity and necessitate an investigation from being able to use that procedure to sully a Member's reputation in a pre-election period. This is not a trivial matter; it matters to people standing for election who might later find themselves exonerated by the commissioner.

That is why I asked my right hon. Friend the Member for Rother Valley whether he could give us the number of people who, having been investigated by the commissioner, were found not guilty. It is important that that information is in the public domain, because it gives us the context and allows us to recognise whether this is a serious problem of which we need to be aware, or whether it is simply in the realms of the theoretical. As he said, some 240 cases were dismissed for having insufficient evidence. Quite rightly, of course, those did not enter the public domain, because the commissioner ruled them inadmissible for investigation. However, it is unlikely that all the 72 cases taken forward will be found to warrant action by the commissioner or the Committee. This issue matters. It is important that we get the balance right and that the commissioner reflects on the need to give consideration to that pre-election period and the capacity for people to use this procedure not only frivolously, but with a political purpose.

I want to make a second point to my right hon. Friend. If the commissioner is now to be given the power to initiate investigations—I understand the arguments for why it should be given—it will be critical to be cognisant of the need to prevent either the present commissioner or future commissioners from simply engaging in what in the past have been described as fishing expeditions. Again, this matters, and it is important that the House has reassurance. My right hon. Friend's Committee has an important role in ensuring that when the commissioner reports to it, it engages in a reasonably robust dialogue with him on the relevance of such commissioner-led investigations, to ensure that the commissioner sets a proper test or standard before taking on such a role.

My final point relates to lay members. I have considerable sympathy with the point made by the Chairman of the Public Administration Committee, the hon. Member for Harwich and North Essex (Mr Jenkin), about the need to recognise the distinction between standards and privilege. It is important that we know in what role and capacity the lay members will be appointed. I endorse the point made by my hon. Friend the Member for Warrington North that we need to ensure that we do not simply replicate the appointment to these public roles of people from traditional backgrounds. We need to ensure that the establishment is not once again put in a position to do things that are not only not in the interest of the House, but not in the interest of the wider public. We must ensure that we have a robust Parliament and MPs who can operate robustly when considering matters of standards and privileges.

2.5 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I agree with the point made by the hon. Member for Manchester Central (Tony Lloyd) about how we choose the lay members. The House has fallen into the habit of finding people seen to be more respectable than we are in order to resolve some of the difficulties that have arisen. Inevitably, they turn out to be former permanent secretaries, but with the greatest respect to those eminent people, they are seen as more respectable only because they have not been exposed in public life to the extent that many of us in public life have been.

Helen Jones: Continuing the debate about who should be appointed, does the hon. Gentleman agree that one of the problems we have encountered—we will see this in the debate later on the Independent Parliamentary Standards Authority—is that civil servants tend to want to fit everyone else into the civil service mode, and often do not understand the work of a Member of Parliament?

Mr Jenkin: I wholly agree with that point, and it fits with the one I am trying to make, which is that their perspective is necessarily a different one, owing to civil servants' long and distinguished experience. Very often—it has to be said—Parliament will have been, throughout their careers, perhaps a matter of great frustration to them, and they might well share the feeling of many others about how poorly the House has done its jobs in various ways over the years. I do not think, therefore, that they necessarily have the right perspective—they have one perspective, but it cannot be solely the right perspective. We have to take their recommendations gratefully and humbly, but add a wider perspective to them to give them life.

On the question of adding lay members to a Select Committee, the right hon. Member for Rother Valley (Mr Barron), who moved the motion, gave examples of where lay members have been added to other committees. However, those are not parliamentary committees and are not, for example, subject to the question of privilege, and it is on parliamentary privilege that I wish to make three brief points. First, there are members of the judiciary and senior figures in public life who have served elsewhere in public life who are either careless of the question of parliamentary privilege or actually could not care less about parliamentary privilege.

The word "privilege" carries certain overtones. At one stage before the election, it went out to the Conservative party that we should not use that word, because it would be misunderstood and seem to relate to the then Leader of the Opposition's education. In fact, every Parliament in the world of any distinction enjoys some measure of privilege or immunity in order that those Members can do their job. The reason we had the Bill of Rights in 1689 was to enable the House to function, and we still need those privileges, that protection and those immunities. We hold those immunities not for ourselves

[Mr Jenkin]

and the protection of our own persons or private interests, and not to protect us from the criminal law if we commit criminal offences—as we have just discovered in a recent case—but so that we can advance the interests of the country freely and without fear or favour. These are the people's privileges. I urge the Procedure Committee, as it considers this matter, to accept the advice of the Clerk of the House. Let me, for the second day on the trot, quote from a note from the Clerk. Referring to the role of lay members on the Committee, he made it clear that he did not comment on the merits of the proposal itself, which I personally welcome, but he also said:

"It is not clear to me that their participation in decision-making by voting is in fact covered by parliamentary privilege. At the very least the matter is questionable and therefore may be justiciable."

Until that matter has been comprehensively and categorically resolved, it would be sensible for the Procedure Committee to recommend that if the Standards and Privileges Committee is to have lay members, they should not be voting members.

I imagine that it would be extremely hard for the Standards and Privileges Committee to ignore the advice of the lay members, particularly if they are as eminent as I hope they will be. I very much hope that one of them will be a retired judge, for example. I think that it would greatly assist the functioning of the Committee to receive more legal advice, so that it could interpret the byzantine rules and regulations and be navigated through difficult, contentious issues of evidence and fairness. After all, that is what the Committee is about. It would be very difficult to ignore the advice of a retired judge, whether he had a vote or not.

Secondly, I should be interested to know how often votes take place on the Committee. Never? I see a shaking head.

Peter Bottomley: Not never, but not frequently.

Mr Jenkin: My hon. Friend says "Not never, but not frequently", and I observed the right hon. Member for Rother Valley shaking his head.

It would be awful if decisions were split on some of the contentious cases that we are discussing. The voting is not really relevant, and I think that it can be set aside until the question of the privileges of the House has been resolved.

We keep running up against the question of privilege. The arrest of my hon. Friend the Member for Ashford (Damian Green) led to a protracted argument about it. The case relating to privilege has just been resolved—I recognise that other cases are sub judice under the criminal law, so I will not comment on them—but resolving it took months. If we had had a more watchful Privileges Committee entirely devoted to the question, we could have forestalled all that. More to the point, if we got on with the parliamentary privileges Bill that everyone agrees we need, we could put the question of privileges on a much less contentious and disputed footing.

That is my third point. When will we have a parliamentary privileges Bill, so that we can resolve some of these issues? Australia has enacted such a Bill, as have other Commonwealth countries. It is time that we stopped resting on the 1689 Act, which is increasingly irrelevant in this information age whose media are so different from those of the past. Parliamentary privilege has to contend with many issues that were not conceived in those days. It is time we updated the Bill of Rights with a parliamentary privileges Act, and I hope that the Procedure Committee will consider that.

I also think that we should have a Select Committee on parliamentary privilege, separate from the Standards and Privileges Committee. As soon as a big issue arises, what happens? Following the arrest of my hon. Friend, it was immediately agreed—somewhat insultingly—that the existing Committee was not up to the job, and that much grander and more important panjandrums would have to be placed on a separate Committee to consider the issue of privileges. I think we had better recognise that the two functions are different. The fact that lay members will be involved with one aspect of the work of the Standards and Privileges Committee and not the other underlines the fact that there are two separate functions, and that they should be undertaken by two separate Committees. I very much hope that that will be one of the Procedure Committee's recommendations.

2.14 pm

Heather Wheeler (South Derbyshire) (Con): As I am a member of the Committee, I thought it sensible to sit through the debate and hear all the views that have been expressed. I am a new Member, and I am not used to hearing about issues such as byzantine rules and regulations. We need T-shirts with that written on them, do we not?

The work that we have been doing over the past few weeks has built on the Kelly report, which I find fascinating. I am very pleased that the House is dealing with these three motions. We have received indications from both Front Benches that there is complete agreement with them. The Chairman of the Committee, the right hon. Member for Rother Valley (Mr Barron), made an excellent opening speech broadening the issues with which we have all been dealing in the Committee, and I am sure that he will discuss the comments that have been made when he winds up the debate.

I have found it difficult to deal with the cases that have come before the Committee and the complaints that we have been considering. We have taken advantage of the experience of the commissioner, who is upstairs in the Gallery—I am noting his beady eyes every second—and the work is very interesting, but what is most important is that the public are aware of the complaints that are received, the statistics about complaints that have absolutely no validity, and the decisions made by our Committee. It is also important that the House is confident that the Committee deals with complaints properly—and we do try.

2.16 pm

Mr Barron: The hon. Member for Worthing West (Peter Bottomley) spoke of media headlines serving as reasons for investigation. That is not the case now, and it will not be the case in future. Investigations are not made on the basis of media headlines; they are made when the commissioner is provided with evidence and he or she is satisfied that there are grounds for examining, for instance, a potential breach of the code of conduct.

My hon. Friend the Member for Warrington North (Helen Jones) discussed rectification, which involves two issues. Rectification sometimes takes place on the

basis that the individual concerned has been found to have done no wrong, but, as I explained, it does not always take place in a right and proper way. It may take place in a very ill-informed way, and a complainant who has done no wrong can still go to the media and say "Yes, but...". I think it eminently sensible to improve that process of rectification.

When people have done wrong and have admitted doing wrong, rectification has been the right and proper thing to do from the commissioner's point of view. It is his decision and no one else's to take the matter no further. Money is paid back, and matters are settled. However, the information is not published in a right and proper way at the moment. We need more transparency, so that people can understand exactly what is happening. I entirely accept that that involves the question of retrospection. We are trying to put the last 18 months behind us, and, as I said, in that context I think that retrospection is right and proper. I hope that the House will accept it on that ground.

I think it highly unlikely that there will be further complaints on the basis of these publications. Even if there were, evidence beyond that which had enabled the commissioner to reach the point at which he had arrived would presumably be required for any investigation to take place. I do not believe that cases that have been rectified will be reopened, whether they have been upheld or not.

My hon. Friend also mentioned a spike in major complaints just before a general election. Political opponents often make complaints. That is a judgment to be taken not by the House or the Committee, but by the commissioner, who I hope would use common sense in those circumstances. I say that because it would be wrong—I am only one voice, but I chair the Committee—for us to define a code of conduct for the commissioner. The commissioner is independent of the Committee and must remain so. We cannot have a situation where someone investigates complaints against MPs, but works to a code of conduct written by a Committee of MPs.

Tony Lloyd: It would not necessarily be my right hon. Friend's Committee that created the code of conduct. The commissioner could operate his own code of conduct. That might give the House the reassurance that it needs.

Mr Barron: That is entirely a matter for the commissioner. From what was said earlier, I gather that he is with us not just in spirit for the debate. I am sure he will read the report in *Hansard* tomorrow. The Committee should not be a party to drawing up a code of conduct for somebody who works independently of the Committee. That would be wholly wrong.

On the subject of lay members, we have said that that will be a matter for the Procedure Committee, and I hope the House will agree. I mentioned that I had been a lay member of the General Medical Council. The Procedure Committee may want to know something about my journey to that role. The first time I was appointed to it, I was the Labour appointee. There was also a Liberal Democrat and a Conservative appointee. They were appointed by the Leader of the House.

That is what used to happen under the old system. The GMC was a big body, consisting of 124 members and three MPs, one from each major party. The second time that I served as a lay member on it, I had to attend an appointments session up in Leeds. I was appointed by a panel who asked me questions about what I had to bring to the table.

I say to the hon. Member for Harwich and North Essex (Mr Jenkin) that I would hesitate to suggest to the Procedure Committee that it ought to have some form of permanent secretary. I had worked in industry as an electrician. I had been to see doctors, of course, because everyone gets ill from time to time. I used to sit on fitness to practice committees when a doctor had done wrong. Those were national cases. I was not qualified to take on the medical profession. I was there in a different role. My role was to bring to the committee what I thought ordinary people would think about the situation—to bring common sense to the issue.

That is what we ought to ask of the Procedure Committee. How it achieves that is entirely up to the Committee. I hesitate to go down the route suggested and lay any sort of guidelines whatever. If lay members come on to the Committee on Standards and Privileges, as I hope they will at some stage, it will be up to the Committee to decide whether they have anything to do with privilege. I agree with the hon. Gentleman that as soon as we get a privilege Bill, or a draft privilege Bill, as we are promised, we can see what that means. There has been a ruling of the Supreme Court on these matters in the past 24 hours. We should look at that in the context of what has come to light in the past few months. The Procedure Committee should get on with the job, if the House agrees to the motion.

I hope the House will accept all three motions without Division. As I said, they serve to clear up issues from before the general election and make sure that the workings of the House are as transparent as is humanly possible, so that people outside have more confidence in us than they have had in the recent past.

Question put and agreed to.

Resolved,

(1) That this House approves the Sixth Report of the Standards and Privileges Committee, Session 2010-11, HC 577; and

(2) That accordingly

a. The Commissioner may publish papers relating to complaints rectified or not upheld since the beginning of financial year 2008-09 and information about complaints received and matters under investigation since the beginning of financial year 2010-11.

b. Standing Order No. 150 be amended, by inserting the following new paragraph after paragraph 10.

"(10A) The Commissioner shall have leave to publish from time to time

(a) information and papers relating to

(i) matters resolved in accordance with paragraph (3) of this order;

and

(ii) complaints not upheld;

and

(b) information about complaints received and matters under investigation."

POWER OF THE PARLIAMENTARY COMMISSIONER FOR STANDARDS TO INITIATE INVESTIGATIONS

Resolved,

(1) That this House approves the Seventh Report of the Standards and Privileges Committee, Session 2010-11, HC 578; and

(2) That accordingly Standing Order No. 150 be amended, by leaving out paragraph (2)(g) and inserting in its place:

"(e) to investigate, if he thinks fit, specific matters which have come to his attention relating to the conduct of Members and to report to the Committee on Standards and Privileges or to an appropriate subcommittee thereof, unless the provisions of paragraph (3) apply.

(2A) In determining whether to investigate a specific matter relating to the conduct of a Member the Commissioner shall have regard to whether in his view there is sufficient evidence that the Code of Conduct or the rules relating to registration or declaration of interests may have been breached to justify taking the matter further." *(Mr Barron.)*

LAY MEMBERSHIP OF THE COMMITTEE ON STANDARDS AND PRIVILEGES

Resolved,

That this House agrees with the principle as set out in the Twelfth Report from the Committee on Standards in Public Life that lay members should sit on the Committee on Standards and Privileges; and invites the Procedure Committee to bring forward proposals to implement it. *(Mr Barron.)*

Independent Parliamentary Standards Authority

2.24 pm

Adam Afriyie (Windsor) (Con): I beg to move,

That this House regrets the unnecessarily high costs and inadequacies of the systems introduced by the Independent Parliamentary Standards Authority (IPSA); calls on the IPSA to introduce a simpler scheme of office expenses and Members' allowances that cuts significantly the administrative costs, reduces the amount of time needed for administration by Members and their staff, does not disadvantage less welloff Members and those with family responsibilities, nor deter Members from seeking reimbursement of the costs of fulfilling their parliamentary duties; and resolves that if these objectives are not reflected in a new scheme set out by the IPSA in time for operation by 1 April 2011, the Leader of the House should make time available for the amendment of the Parliamentary Standards Act 2009 to do so.

I thank hon. Members across the House for their support in crafting the motion and for coming to the debate. In particular, I thank the chairs of the Back-Bench committees for each of the parties. This is a cross-party motion which enjoys wide cross-party support. I thank the hon. Member for Walsall North (Mr Winnick) for hosting the debate in Westminster Hall earlier this year, where hon. Members were able to give their initial view of the systems being operated by the Independent Parliamentary Standards Authority.

It would be all too easy for Members of Parliament to moan about the details of how the existing scheme is working, but from all the conversations that I have had over the past several months, I am reassured that that is not the purpose of today's debate. Members have been reassuringly consistent in their view, in private and public conversations, that the debate is about ensuring that we get a grip on a system that is taking MPs' time away from constituents and is costing the taxpayer far too much money. Although there are personal inconveniences to Members of Parliament, which are fully recognised by all MPs, that is not the primary purpose of the motion. I thank the Backbench Business Committee and its Chair for having the courage to hold the debate on a substantive motion.

The motion presents an opportunity significantly to reduce the costs of Parliament to the taxpayer, an opportunity to allow MPs to spend more time representing their constituents, and an opportunity to reform a system that unintentionally discriminates against MPs with family commitments and those who come from a less well-off background. Above all, the motion offers a chance finally to begin or continue the process of restoring confidence in Parliament. If it is passed, as I hope it will be, it will send a clear message to IPSA and the country that Parliament wants a new expenses scheme that cuts the cost to the taxpayer and allows Members to conduct their duties for their constituents.

The motion urges IPSA to be bold in proposing a new scheme. I hope it will introduce one that works. The motion is also clear that if IPSA fails to do that, Parliament will act in the interests of the country by proposing the necessary reforms.

The history of payments to MPs is informative. I do not intend to go through the entire history, but it is useful in the present context. A simple Members' allowance was introduced in 1911. It was transformed—or deformed, I would argue—over the past century into a byzantine

system of hidden expenses and allowances. That happened because Parliament allowed it to happen. Past Governments, understandably, avoided politically unacceptable and unpalatable pay rises for MPs, but these rises were necessary as the nature of the job changed, the amount of correspondence changed, and the expectation on MPs to be in their constituencies more often increased. MPs failed to assert themselves over the past 100 years on behalf of their constituents.

From the mid-2000s, MPs knew the system would eventually undermine the integrity of Parliament. When I arrived as a new Member in 2005, that was pretty clear from the conversations and from the worries that were being expressed. However, I think it is safe to say that the initial system introduced by IPSA is now also creating problems, and they will make it difficult for Parliament to do its work in the future. For the sake of our democracy, Members of Parliament have a duty to act if IPSA does not bring forward a scheme that sorts out these problems.

Last year's expenses revelations were a well-deserved kick in the teeth for Parliament. They should also have served as a wake-up call alerting us to the fact that action needed to be taken. We must act now, and avoid dragging the British Parliament back into disrepute purely because we may be nervous about the initial public reaction to what we say.

I will address the motion shortly, but first I want to say that I greatly commend the staff at IPSA both for putting up with us, because we can be very forceful in making our representations to them, and for implementing a scheme that was designed not by them but by the IPSA board. We must take care to recognise that the staff at IPSA are working hard in trying to implement the scheme, even if it does not work for our constituents.

I also welcome the publication of MPs' claims this morning; IPSA is right to publish them, because accountability must be at the heart of any system that is put in place. Like all other Members, I accept, of course, that it is a complete coincidence that the claims, along with other publications and leaks, were published this morning; I accept that the timing of that has nothing to do with today's debate. However, it is alarming that IPSA has chosen not to publish the receipts behind the claims, because we have been here before. If there is a claim and a supporting receipt, it is essential that the receipt is shown to the public, or made readily available to them. I believe this decision will prove to be calamitous. It implies secrecy and concealment when MPs should have nothing to hide, and it encourages misinterpretation and miscommunication unnecessarily. It is inevitable and right that under the Freedom of Information Act people will request to see these receipts, and they will therefore become available. Why on earth were they not published immediately? I think that will turn out to be a mistake.

I recognise that some might say that it is exceptionally expensive to publish such receipts, and I agree. It is very expensive to process receipts and then publish them with redactions for privacy and other reasons. My counter-argument to that is straightforward, however: IPSA should have been aware of these costs and burdens when it introduced a scheme that demanded that such procedures were followed. It cannot be an excuse that it costs too much to publish receipts if that is what is required under the system IPSA initially designed. I therefore encourage it to change the system.

Bob Russell (Colchester) (LD): I am grateful to the hon. Gentleman for securing this debate and for his contribution thus far. Does he know how many Members of Parliament IPSA consulted before setting up this scheme?

Adam Afriyie: That is a very good question. I have the figure 44 in my head for the number of responses to the initial January consultation. A quarter to a third of them were completely against the kind of scheme IPSA eventually introduced, while the other three quarters or two thirds raised specific issues that were not directly related to the terms of the consultation. The input from Members of Parliament in a public sense was therefore fairly minimal; only about 11 MPs actually made a contribution. That is a little concerning. I think the reason behind that low figure is that we as Members of Parliament all know that anything we write on expenses that is in the public domain is a hostage to fortune. We have to overcome that reluctance, however, because unless we show confidence and courage and make it absolutely clear that we will not tolerate an unnecessarily expensive system and an unnecessarily burdensome bureaucracy that takes us away from our constituents, we will fall into the same trap we have fallen into in the past. I therefore have a tremendous sense of déjà vu.

The expenses scandal coincided with the run-up to the general election—it was almost part of the general election campaign—so there was a political need to resolve the issue quickly. I think we all recognise that, and I think we all accept that something needed to be done fairly briskly. However, on reflection now, a year later, it seems to me that perhaps in our haste we have lost some time. Even with the best intentions in the world, there have been omissions and errors in the establishment of the current regime, and they need to be tackled.

Ignoring warnings from the Clerk of the House and others, we have created a curious beast. We have handed over control of the work of MPs to an unelected and unaccountable body. IPSA is judge and jury; IPSA is both regulator and the regulated. MPs are rightly accountable to the people who elect them, whereas IPSA is accountable to nobody, yet IPSA can control the way MPs work—it can control the amount of time that MPs have available to them to conduct their duties. That is a curious state of affairs, and if we are honest with ourselves we would never tolerate that set-up in any other walk of life, or in any other part of government or the civil service.

I do not doubt that the chairman and board of IPSA have good intentions, but is it right that the current system continues to frustrate the work of democratically elected MPs? The issue is not about us and our minor inconveniences, but about our constituents and the time that we can spend with them, so we have to be bold in what we do.

Mr Bernard Jenkin (Harwich and North Essex) (Con): To be completely fair to IPSA, the scheme that it had to implement had already been handed to it by the Committee on Standards in Public Life, and if I remember correctly there was a curious collision of timetables, whereby IPSA was set up at the same time as the committee was holding its inquiry. I am afraid that we politicians are responsible collectively for the mess that IPSA inherited

[Mr Bernard Jenkin]

from us, and I think that my hon. Friend is appealing for it to take charge, to fulfil its remit and to take full responsibility for the scheme that it now implements.

Adam Afriyie: I very much welcome my hon. Friend's intervention. It is quite clear that the Committee on Standards in Public Life had not reported at the time when IPSA was instructed to create a scheme, so we must take responsibility for that. We were in a hurry—with the right intentions—to change the system so that an external body would set the rates of remuneration and pay, but it is widely recognised that in our haste we created something that needs adjustment.

Mr David Winnick (Walsall North) (Lab): The hon. Gentleman is certainly making a positive contribution for all of us. Is it not odd that IPSA itself is not situated on the parliamentary estate? It is also reluctant to give information about its senior executives; I have now waited a fortnight for a parliamentary answer about the number of senior people in the management team and their salaries. Incidentally, it might interest the hon. Gentleman to know that the dog of my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) shows absolutely rapt attention to every word he says.

Adam Afriyie: In which case I shall pursue the issue doggedly!

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I should like initially to make it absolutely clear that the dog has claimed no allowances whatever!

The hon. Gentleman knows, because I have communicated this point to him, that we need to reflect on the public's reaction a year ago. Indeed, I contributed to the discussion in January and was in favour of a much simpler administrative scheme than the current one. Is the review at the beginning of January not an opportunity to try to get the system right, in a non-adversarial way; to take the public or, at least, the opinion-formers with us, rather than back a year; to make the job of IPSA staff, whom he rightly praises for trying to operate a difficult system, much easier; and to ensure, therefore, that MPs benefit from a simpler process, the public benefit from a cheaper process and the world outside believes that we have not once again lost our marbles?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Can we have shorter interventions? A lot of Members wish to speak in this very important debate.

Adam Afriyie: I welcome the intervention and the correspondence between me and the right hon. Gentleman, although we have a slightly different view about the purpose of today's motion. We know that there will never be a win on this subject with the media and the public, whatever the scheme's initial form. That is just never going to happen. Anybody who has been around the media, business or politics for long enough knows that that will never happen, so the question for us is: what type of scheme would be most beneficial to constituents and the taxpayer?

I welcome the right hon. Gentleman's input during the initial set-up, and I recognise his hard work in looking for a simple scheme, but I suspect that IPSA has not fully taken on board the power that we have given it to simplify things and make our jobs easier. My greatest hope today is that the terms of the motion never need to be used, and that IPSA comes forward with a scheme that works, thereby enabling us to do our job.

With regard to the intervention of the hon. Member for Walsall North, it is notoriously difficult to get information out of IPSA, and I understand why. Among other practices, it might not reflect well on IPSA if its senior salaries were compared with the salaries of Members of Parliament. I believe that there is also concern over the cost of the buildings that it has hired and the contracts into which it has entered. I do not want to go into the minutiae of how IPSA operates; I want to focus on the purpose of the motion and the consequences of its being passed this afternoon.

The motion presents an opportunity for the Government and our political party leaders to stand aside from this issue. The moment a party leader speaks on this subject, it is ignited and becomes a party political matter, with the parties wrangling with each other. The moment a Government get involved, it is a headline media issue—why are the Government trying to change IPSA and get rid of its independence? It is untenable for Governments and political party leaders to handle this issue, and they cannot do so in the way that is needed. I put it to the House that it is right for Parliament to handle this issue and to create the opportunity for the Government and party leaders to stand aside and allow measures to be brought forward. If it looks like those measures will cost the taxpayer more, of course the Government should have a right of veto. However, we need to deliver to the Government and party leaders the opportunity to step aside and allow this place time for calm contemplation and to bring forward measures. It is then up to the Government to make a judgment. We would be doing our party leaders a service, and it would be the first time in 100 years that they would have been given such an opportunity on the issue of MPs' conditions and remuneration.

Duncan Hames (Chippenham) (LD): I am sure that the hon. Gentleman is an advocate of worker representation, but does he accept that it would be unusual in any other workplace to invite the employees to set the terms of their expenses arrangements?

Adam Afriyie: The hon. Gentleman is a new Member, and he is spot on. That is why the majority of hon. Members believe that it was right that an independent body set the rates of remuneration. We talked about privilege earlier, and this is a matter not of MPs' privilege but of the people's privilege to have an MP who can work, unimpeded by a third party that is unaccountable to the public. If a body can tell MPs how to do their work—which, in effect, IPSA can in its current form—democracy and the people's voice are undermined.

Mr Stewart Jackson (Peterborough) (Con): My hon. Friend is being very generous in giving way. Perhaps he would like to disabuse my hon. Friend the Member for

Chippenham (Duncan Hames) of the notion that we are employees. When I came to this House, I wrote to the then Speaker to inquire about the possibility of availing myself of child care vouchers. I was told that it was not possible because I was not an employee, but was regarded by Her Majesty's Revenue and Customs as self-employed. That is the distinction.

Adam Afriyie: Absolutely. My hon. Friend hits on the key issue, which has not been resolved in the last 100 years, of whether a Member of Parliament is a paid employee with a salary, in which case one would expect a job description. MPs do not have job descriptions; it is therefore semi-illogical that they would have salaries. HMRC is absolutely correct that for most intents and purposes, MPs are self-employed. I will comment on that in a moment, but I am conscious of the time that I am taking.

Bob Russell: In answer to parliamentary questions that I tabled, IPSA graciously acknowledged that I am employed by the good people of Colchester. It also acknowledged that I am the employer of my staff and that it is not the employer of MPs' staff. However, half the time it behaves as if it were the employer of MPs, and half the time as if it were the employer of MPs' staff.

Adam Afriyie: That is the irreconcilable nature of the task that IPSA has been set. These are quite deep waters and I am not sure that we can get into the intricacies in this debate. The hon. Gentleman is right that there is a fundamental incompatibility between an external body controlling the terms and conditions by which staff are employed and the responsibility for that employment falling with the individual Member.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): I completely support what the hon. Gentleman is saying. Can we move back to the motion and to trying to consider how we rationalise the headings in respect of what the regime is all about? It is clear to me that it is all so time-consuming and unnecessary and will lead to our running out of money in certain budgets. That problem would be overcome if there was a bit of rationalisation before 1 April next year—the date set by the hon. Gentleman in the motion.

Adam Afriyie: I thank the hon. Gentleman for bringing me back to the motion, which is where we really need to be, especially given how long I have taken so far. He is absolutely right to say that we are looking for the schemes to be simplified. I hope that the motion will give IPSA the licence to do that without our having to bring forward measures. There are other anomalies that may need to be dealt with through legislation, including statutory instruments, but they do not relate directly to the reimbursement or remuneration of MPs.

I turn back to the motion, which has three substantive parts. First, there is the regret about the unnecessary bureaucracy that impedes MPs' work for their constituents. Secondly, there is the regret about the unnecessarily high cost of the scheme; I shall not go into the details of how the new scheme costs 50% more than the one in the previous Parliament, although I am sure that others will. There are also irreconcilable differences in IPSA's January consultation. Principle 9 in chapter 2 says that

> "Arrangements should be flexible enough to take account of the diverse working patterns and demands placed upon individual MPs",

but by introducing a prescriptive and rigid system, IPSA has manifestly failed to recognise that point in the scheme so far. Principle 10 in chapter 2 says:

> "The system should be clear and understandable. If it is difficult to explain an element of the system in terms which the general public will regard as reasonable, that is a powerful argument against it."

Yet the current system fails to respect that principle. How can IPSA expect the general public to understand the system when we MPs find it virtually impossible to understand? That is another irreconcilable point.

Sections 3.1 and 3.2 state that there is no formal job description for an MP and that defining an MP's duties is notoriously difficult. However, the document goes on to attempt to define that role. Section 3.13 recognises the varying accommodation needs of every MP. Why, then, is the system so prescriptive about the nature of that accommodation, irrespective of family situation or the rapidly changing circumstances of individual Members?

Bob Stewart (Beckenham) (Con): I am a new Member with a constituency in outer London. Every night, I am lucky enough to return to my family. However, many colleagues tell me that, for four to five days a week, they have extreme difficulty in seeing their families because the allowances do not permit it. In many cases, a Member cannot keep their family with them unless they are rich enough. I feel that that is wrong.

Adam Afriyie: Hear, hear! Absolutely. The system seems almost designed to create a Parliament for the wealthy. If a Member does not have sufficient resources to subsidise themselves, they become ensnared in a vice-like grip designed to bring them into disrepute—they have to produce every single receipt for some sort of personal item. Wealthier Members or those with independent means, of course, can simply not claim. As I look around both sides of the Chamber, I know that probably not a single Member here has claimed everything that they are entitled to claim—first, through fear of the public and the media really having a go, or secondly, because it is too complicated and time-consuming to do so.

We have to ask ourselves whether the public want such a system for their Parliament. The wealthy swan through, buy their way out of the system with no trouble at all and are treated as saints when they are nothing of the sort, and everyone else is stuck in the system.

Joan Walley (Stoke-on-Trent North) (Lab): Does the hon. Gentleman agree that one of the main issues is that IPSA does not seem to have understood that MPs have responsibilities and duties in their constituency and similarly here in Parliament? The current system does not take that into account, so the costs of one or the other have to be subsidised, or can be met by those who have wealth. If MPs do not have that wealth, they are simply unable to meet the costs of operating in two places at once.

Adam Afriyie: Exactly that debate was had in 1911. After the Osborne judgment, Labour Members could no longer be funded by the unions, which meant, in effect, that they were destitute. Then, in 1911, a flat

[Adam Afriyie]

rate—a beautifully simple Members' allowance—was introduced at £400 a year. Members were told: "There you go. This is not a salary, a remuneration, a reimbursement of expenses or a payment in kind for services; it is merely an allowance that recognises that there are costs associated with being here, and Members are trusted to organise their lives in the way that is necessary."

One cannot second-guess and legislate for the topography of every seat or the lifestyles—the changing lifestyles—of every MP, or for the reproduction rates of MPs: we are now on our fifth. One cannot create a system that takes into account whether the trains are working or whether it is going to snow and being told only at 5 o'clock in the evening. There is no way that the route that IPSA is currently pursuing will satisfy the needs of the public to have a Parliament that functions effectively.

Mr Edward Leigh (Gainsborough) (Con): So why not go back to a simple flat-rate allowance for everybody?

Adam Afriyie: The Parliamentary Standards (Amendment) Bill, which will appear on tomorrow's Order Paper—of course, I do not know what is going to happen to it—says that that is exactly what we ought to do, because it would save the taxpayer money and give MPs time to serve their constituents. That proposal is not directly related to the motion, but I just point it out. It would take courage to enact such a simple, straightforward scheme, and I urge IPSA to have the courage to do so. There is nothing more transparent than a flat-rate Members' allowance: everyone can see what it is and everyone can see that every MP gets the same thing.

The current system causes inconvenience and makes things very difficult for Members with families and Members who are less well-off. It also causes problems, because Members are not making claims. Looking back at this year, and certainly over the past six months, I know that virtually every one of my colleagues—I have spoken to 350 MPs one-to-one—has not made the claims that they are entitled to make. That may be seen externally as a great success—"Look, IPSA has crushed the MPs, and they cost far less!"—but we all know that that is not the situation. We know that Members are borrowing from their parents, having to borrow cars from friends, and still sleeping on floors of offices, which they are not supposed to do, because they are not claiming what they rightfully should be able to claim. It is not a good situation.

However, I am not moaning on behalf of existing MPs. I love all the MPs here, but I am not whingeing on their behalf. What I am concerned about is the functioning of Parliament for the next 100 years. Where will we be in 30 years' time if we continue down this route where only the wealthy can serve? That is where we were before; I thought we had moved on. IPSA, I hope you are listening.

Nadine Dorries (Mid Bedfordshire) (Con): The Chamber is largely full of men today and women are represented only in small number, so I ask that this comment is not regarded as sexist. The IPSA regulations say that mothers with teenage children are not allowed to have their children to stay with them in their overnight accommodation in London. When a single mother is telephoned from the school or university and told that their child is sick and to collect them and take them home, what are they supposed to do? Mothers are not allowed to have their children with them, yet we have to be here to carry out our duties. Does my hon. Friend agree that the IPSA regulations are particularly difficult for women?

Adam Afriyie: I am making the same observation, and my hon. Friend highlights the point very well.

The motion asks not for a system that involves looking into the individual lifestyle of every Member, but merely for a simplified system that recognises the variability in family arrangements. The motion asks not for a system that investigates the lifestyle, family arrangements and travelling habits of every MP, but for a simpler system that saves the taxpayer money, so that MPs can focus on the job at hand, whether or not they have a family.

I shall come to my closing remarks, because I am conscious of time. The third part of the motion is significant. I am begging IPSA please to propose a scheme that sorts the problems out, and I hope that it will. It has the mandate of the House of Commons already, so it can do so. However, the motion states that if a scheme that can be put into operation by 1 April 2011 is not proposed, this place will act—not in our interests, but in the interests of our constituents and Parliament.

I am now on the record as encouraging IPSA to come forward with a scheme, but we must be clear on timing. If a proposal is not forthcoming by, say, mid-January, it will be impossible to introduce a scheme before the beginning of the next financial year. Therefore, if the motion is carried, it is necessary for us to introduce a Bill or a statutory instrument or something, probably this side of Christmas, in case IPSA's proposal is not the right one. Otherwise, we are trapped within the current system, and our constituents will suffer. The costs will be astronomically high for at least another year to a year and a half, and I fear that Members will begin to leave Parliament. The work of Parliament will continue to be impeded unless such changes are made.

Mr Andrew Tyrie (Chichester) (Con): My hon. Friend makes a strong case and a plea to IPSA to get on with it. Does he agree that it is up to the Government to empower IPSA by sending a strong message that they support the need for radical reform of a system that, in the end, on administrative cost grounds alone, ought to be seen as unsustainable and unworkable?

Adam Afriyie: That was exceptionally well put. One of my big asks of the Government is that they communicate the message that IPSA is empowered to make those changes and should not be nervous about doing so if the motion is passed.

This is a sensitive issue and the public are understandably concerned. I am certain that tomorrow this debate will be reported as, "MPs whinge about their conditions and the independent body that controls them", but that is not what the debate is about. The debate is about saving the taxpayer money and ensuring that MPs' voices are heard and not hidden through fear of speaking out.

Andrew Bridgen (North West Leicestershire) (Con): As a Member of the 2010 intake, I have no personal knowledge of the system that ran before, but I came here from the private sector, and the IPSA system epitomises everything I had always believed to be wrong with government—it is bureaucratic, inefficient and very expensive. The system fails in two respects. First, unless hon. Members are of considerable personal wealth, they are prevented from conducting their duties as their constituents would like; and secondly, that this system was adopted in response to such serious allegations against conduct in the previous Parliament is a stain on this place. The system is failing and it needs reform.

Adam Afriyie: I thank my hon. Friend very much for that intervention; everyone will have heard what he said.

We know that the current system costs the taxpayer far too much, that it takes the time of MPs away from their constituents, and that it will continue to undermine Members, particular those with families and those who are less well off. We have a duty to act in the taxpayer's interest if IPSA does not propose a new scheme. One former Prime Minister said:

"The first duty of a member of Parliament is to do what he thinks in his faithful and disinterested judgement is right and necessary for the honour and safety of Great Britain. His second duty is to his constituents of whom he is the representative but not the delegate."

We must stand up, in a disinterested fashion—not for our own purposes—and insist that IPSA propose another system. If it does not, we must resolve to act. That is what the motion proposes.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. As hon. Members are aware, Mr Speaker has decided not to select the amendment. Many Members wish to speak, so brevity is essential.

3 pm

Ann Clwyd (Cynon Valley) (Lab): I congratulate the hon. Member for Windsor (Adam Afriyie) on his excellent speech and on the way in which he introduced the debate. I hope that he continues throughout his life in Parliament to feel as much affection for all hon. Members as he expressed today, although I doubt that that will continue as time goes on. However, I appreciated the opening words of his speech.

I had my whinge last time round when we had the first debate in Westminster Hall. I also got very angry, and I still feel angry that, because of the activities of a few Members in the past, we have all been smeared. We continue to be smeared by the belief that we are all crooks, and after 26 years in Parliament I resent that immensely. We all found during the general election campaign that whether we had done something or not, we were all considered to be crooks. Someone came up to me during the campaign and shouted, "Thief!" If I had been a man, I would have run after him and punched him in the face, because I feel about this so strongly. I am not a thief and I have never been a thief. I object to Members being considered as thieves, because the vast majority of people in this place are nothing of the sort, and it is not right that we have been smeared by the activities of a few.

A member of my staff uses the online expenses system to fill in the forms on my behalf. I had not thought of the idea of one of my colleagues, who told IPSA that his finger was in plaster and he was unlikely to be taking it out of plaster, which meant that IPSA officials had to go to his office to fill in expense claims on his behalf. I wanted to look at the problems as dispassionately as possible, so I asked my member of staff about his experiences and to outline the difficulties he had encountered. He said:

"Although after the MPs expenses fiasco there was a genuine desire to create a new and more transparent system to pay Members' expenses, I do not think the system put in place by IPSA is the best alternative"

he was also aware of the previous system. He continued:

"The new system is in no way more transparent than the system it replaced, the main difference is that rather than submit paper claims Members must now submit them online. It seems as though rather than looking for a simple solution"

several colleagues have suggested such a solution today—

"(such as daily allowances or issuing credit cards to Members for their expenses) an expensive all consuming bureaucratic monster has been created."

Several issues have arisen after six months of the new system. Inevitably, Members allow their staff to fill out and submit claims forms on their behalf. The previous system did not allow anyone except the Member to sign the forms before they were submitted, but the new system places a lot of trust in the hands of a non-elected proxy. The way in which the travel card statement is sent to the proxy's IPSA account, not to Members, is very time consuming and confusing. The Member travel card has the potential to simplify the way in which Members claim, but the way in which it operates only adds to the problems of the online system.

Mr Kevan Jones (North Durham) (Lab): Does my right hon. Friend also recognise that the new travel card system is far more complicated than the old system? Under the old system, we had a statement once a month that we had to go through to check that the information was correct. We then ticked it and signed it ourselves before sending it back. Under the present system, we have to provide the information in paper form and then put it back online, as well as sending in the individual rail tickets. Frankly, that is complete nonsense.

Ann Clwyd: I thank my hon. Friend. That is a very good point.

During the first few months of the new system's operation, Members faced huge delays in getting any claims reimbursed. They accumulated large amounts of debt at the beginning of a new Parliament, and a great deal of time and manpower has been spent trying to balance the books ever since. This unnecessarily takes time away from other parliamentary duties, as has been pointed out. During the past six months, IPSA has twice lost or not received the receipts we have sent in the post. IPSA is adamant that all claims must be accompanied by original receipts, but no contingency plan has been put in place to deal with lost receipts. The old system allowed Members to send in photocopies of receipts, while we filed the originals for our own records. Members are now at risk if they do not take photocopies of all receipts before sending them to IPSA.

[Ann Clwyd]

Communicating with or contacting IPSA is not easy. There is only one general phone number and e-mail address for Members to contact. We have all been put on hold for more than 45 minutes while waiting to discuss issues with IPSA staff and, due to a lack of replies, we have all but given up trying to contact IPSA via e-mail.

I am sure that there would have been many more Members here today if they were not still fearful of the press. We all know that whatever we say here today will be picked up and used in one way or another. Some Members who would have liked to be here to make similar points to the ones we are making are not here because of a certain amount of fear. It is ridiculous that elected Members of Parliament, who often have to stand up for their constituents, find it difficult to stand up for themselves.

Mr Winnick: It is quite possible that new Members fear the local press in particular, and worry that it might say that the moment that they are elected, they start complaining. Is there not therefore a greater responsibility on those of us who have been here some time to make this case today?

Ann Clwyd: I thank my hon. Friend for making that point, and I am glad that so many of us are here to make that case.

As a former journalist, I have been quite surprised at the many leaks that have appeared in the press on matters concerning MPs' discussions with IPSA and what they have sent into IPSA. A headline in *The Times* yesterday read "Carry on claiming: MPs are already flouting new rules on expenses". The article went on to give details. Now, I admire good journalists, and well done to them for getting the story, but how did they get it unless somebody at IPSA leaked it to them? This morning, a colleague told me that they had been talking to a member of the press who had been offered information by somebody at IPSA on certain "juicy" bits that had not yet emerged in the press about what certain Members had claimed for. The story in *The Times* said that one MP had had a claim for £338 for a shredder refused. Why on earth was he refused that for a shredder? We all use shredders; we often have to shred correspondence, for example. But that is not the point. How on earth did the newspaper get that story in the first place?

I have been told an allegation that I cannot personally prove, but the information has been given to me on very good authority. I make the allegation because it is doing the rounds—I apologise to the person about whom the allegation is made if it is not true, and she might like to deny it during the course of the day—and it is that the information is coming from the Director of Communications at IPSA, Anne Power. She can either refute that or, if it is the case, agree that it is true. I have every reason to believe my source and that that is the case. There must be an answer to why, every time we have a debate on IPSA, an anti-MP story appears the day before. The information must come from the only people with that knowledge, and that must be the people at IPSA. Today, they must deny or otherwise admit that that person has offered that information to a member of the press.

3.11 pm

Mr Roger Gale (North Thanet) (Con): It is a pleasure to follow the right hon. Member for Cynon Valley (Ann Clwyd). May I add my congratulations to my hon. Friend the Member for Windsor (Adam Afriyie) not only on bringing this debate to the House today but on the considerable amount of hard work he has put in over many months to seek to redress what indubitably has been and remains a wrong? My hon. Friend has studiously given IPSA, perhaps appropriately, until all fools' day to come back with a better scheme. Personally, I would prefer to see a change now, but I shall support his motion in the Lobby, if necessary, later.

I want to pay tribute to the staff of the former Fees Office, many of whom have been reviled—shamefully, sometimes in this House, but more particularly in the press—because of the systems that had developed. Those staff, known to many of us in previous Parliaments, were in the main diligent, courteous and careful and did a very good job. Some are now working for IPSA, but I happen to know that some of them are acutely disturbed by the climate of mistrust in IPSA that has been inculcated into them and imposed on them from the top. By the top, I mean the chairman and the interim chief executive. Let us now call a spade a spade and understand what we are talking about.

The hon. Member for Walsall North (Mr Winnick) said it was up to those of us who have knocked around for a bit to speak up for the newer Members of the House. It will not have escaped your notice, Mr Deputy Speaker, that I am practically halfway through my parliamentary career—*[Laughter.]* Did I hear somebody say "shame"? On that basis, I believe that some of us have a duty to say things that young men and women who entered this Parliament for the first time in May need to have said for them but do not feel able to say for themselves. There has been a climate of fear and of mistrust. There is a feeling that if we complain our constituents will not understand and the local and national press certainly will not understand. There are some things that we must get on the record.

In introducing the debate, my hon. Friend the Member for Windsor said that he was trying to stimulate a measure in the interests of our constituents and in the interests of saving money. He is absolutely right. The system that has been imposed on us is wasteful, costly and bureaucratic and it is failing. We have to get that right. The interim chief executive of IPSA, in one of his many issued statements, said that

"the core of our mission is to support parliamentary democracy."

Mr Churchill might have used the phrase "round objects". I am sorry, I do not accept that. Our job goes to the core of parliamentary democracy, and parliamentary democracy is being interfered with by the scheme that has been imposed on us.

Let us be absolutely clear about this: not just in the last Parliament but probably in the two or three before, things went very badly wrong. Some former Members behaved in a way that can only be described as less than honourable, and we all need to understand that there was, and remains, a need for change. But change for the sake of change, on the basis of "My shirt is hairier than yours", is not a way of taking the House forward.

The hon. Member for Colchester (Bob Russell) asked how many Members had been consulted before the new scheme was devised. The answer is none or very few. We

have to accept that IPSA found itself faced with a well nigh impossible task, and I do not demur from that at all. It had to try to put together a scheme within the time scale that our Front Benchers on both sides of the House demanded—we need to be clear about where some of the responsibility for that lies. That was very difficult, but having said that, the people at the top of IPSA have chosen—I believe partly through arrogance—to ignore the fundamentals and not to do the groundwork and research necessary to put in place not just a scheme, but a scheme that worked.

I have invited the interim chief executive of IPSA, courteously and on three separate occasions, to visit my parliamentary office. It is located in my constituency, but it is not a constituency office. That is a fundamental difference. I have chosen to locate my entire business in the constituency. I have tried to impress on the interim chief executive the point that if a Member of Parliament has his or her office based within the parliamentary estate, and if all their staff are based there, all their bills for telephone calls, office equipment, heating, lighting, cleaning, office rental, rates, fire precautions—the whole kit and caboodle—are paid for by the House authorities. That represents a difference of about £17,000 a year between that Member and another Member with his or her parliamentary office in the constituency. That means, of course, that the information published today is hopelessly distorted. My telephone bills for my parliamentary office will be much higher than those of colleagues who use the phones here.

The interim chief executive wrote back to me and completely missed the point, saying, "Well, if you've got a problem with this, we're quite prepared to review the amount that you're allowed." I do not want the amount that I am allowed reviewed, and I do not want to spend any more money. Over 27 years in this place, I have already subsidised my office costs to the taxpayer to the tune of a quarter of a million pounds, and I have done so uncomplainingly. However, I do not want to be misunderstood by people who have devised a scheme without taking the trouble to get out there, visit offices and really understand what the job of a Member of Parliament is about.

I asked when the interim chief executive had visited a constituency or a parliamentary office in a constituency, how often and where. Hon. Members may be dismayed to learn that the answer, which came after a freedom of information request because I was not initially told, stated that the chief executive's first visit to any office was on 9 July, the election having been in May. That was to the office of the right hon. Member for Blackburn (Mr Straw), where he spent two days. More recently—very recently—the man who told me that it was not possible to visit my office visited South Thanet, which is four miles down the road.

Mr Kevan Jones: Does the hon. Gentleman also agree that a good example of IPSA completely misunderstanding how an MP's office runs was its early diktat that it would pay only 85% of our phone bills, on the basis that the other 15% related to our personal use?

Mr Gale: The hon. Gentleman is absolutely right. I shall discuss the costs of IPSA now, because I am conscious that a lot of hon. Members wish to speak and I must not take up too much time.

I want to address issues such as IPSA's extravagance and waste. The office costs issue is important. IPSA's chief executive says that plenty of people in the public sector pay their bills and then reclaim the money. I am sorry, but I do not believe that IPSA's chief executive pays any part of the rent for his office in Victoria—or his phone, heating, lighting and cleaning bills—and then claims it back. I therefore asked how much IPSA was spending on that. The rental for those offices, which are not on the parliamentary estate, as the hon. Member for Walsall North said, costs £348,000 a year over the life of the lease.

I am still waiting—IPSA is out of time on this—for a freedom of information follow-up to tell me how much IPSA is spending on business rates, heating, lighting, cleaning, service charges, depreciation and all the other costs. That figure has to be in excess of £500,000. I note that Mr Speaker has said that he wants IPSA's costs cut to £2 million. If just the building costs £500,000, even before we have put any people in it, and if we now have to pay for the gold key online expenses submissions system, £2 million will not be enough, despite the fact that the old Fees Office did the entire job for that money.

Funding of the online key scheme is discrete; IPSA will not give the answer under freedom of information legislation because the information is commercial in confidence and providing it might prejudice future negotiations. What I can tell the House is that IPSA has entered into a five-year contract. I suspect it has done so at very considerable expense and with no break clause. So if we do revise this scheme, the taxpayers will find themselves paying the bill up to the full five years.

We asked the chief executive what the purpose of all the duplication is. Our staff spend six hours a week online, filling in forms on the screen, item by item and line by line. That is fine, but they then have to print the whole darned lot, back it up with receipts and send it in. IPSA's chief executive does not consider that to be duplication, but if doing something twice is not duplication, I do not know what is.

Finally, I wish to discuss an issue that has been raised and is of grave concern to new and younger Members, particularly those with young families: the living costs allowed to Members of Parliament to maintain the necessary accommodation—I emphasise the word "necessary"—in the constituency and in London. It appears to have escaped IPSA's understanding that Members of Parliament do work in the House of Commons and in our constituencies.

I know colleagues in Kent who represent quite large constituencies that have only one station, which is perhaps just within an hour by train from London. We need to understand that that is just under an hour platform to platform, not door to door. They do not receive any London weighting, any London living allowance or any accommodation allowance at all, so they find themselves, having come into this place believing that they have come here to do a job of work on behalf of their constituents, either having to pay to get home late at night or having to travel home before the vote at 10 pm. Where is the sense in that? I do not know of any journey time that starts when the train arrives at the platform and ends when it arrives at the platform at the other end, but takes no account of the time it takes someone to get from their home or office to that platform to wait

[Mr Gale]

for the train, to catch the train, to be delayed, to get off at the other end and to get back home or to their place of work. That is arrant nonsense. When I told IPSA that those people were being unfairly treated, I was told:

"IPSA did not consider that eligibility for accommodation could reasonably be decided on the basis on where the MP elected to live. This would have created a perverse incentive for the MP to opt to live further away from Westminster, in order to be eligible for accommodation. The decision was therefore taken on principle that eligibility should depend on the constituency's proximity to Westminster. It is then down to MPs whether they elect to live close to the station within their constituency which has the fastest links to Westminster".

In other words, if Members do not like it, they should sell their houses and move closer to the station.

I have been in this place for a long time, and I want to leave it one day knowing that it is in safe hands—the hands of good people who have come here for the right reasons and who want to do the job that they were elected to do. If they are going to be able to do that, they have to have the resources. The people who are denying them those resources are the people who are currently running IPSA. We have two choices. This House—this democracy—will either be the province of the very rich or juvenile anoraks with no experience of life, business or anything at all, or we will sort this problem out. As far as we are concerned, IPSA has until 1 April. It had better get it right.

3.26 pm

John Mann (Bassetlaw) (Lab): I am just wondering which category I fall into: the rich or the junior anoraks with no experience of life.

New Members will have read the previous debates. They will have seen that there was a debate not only in January 2009, but in July 2008. They will have studied that debate. One need not read it for too long, however, because one is rehearing it today. I tabled an amendment on 3 July 2008. Unfortunately, my amendment did not manage to persuade the Speaker that it should be selected. So it is today, but there has been some progress, because today I have been called to speak in the debate, unlike in 2008. In that debate, a year before the expenses scandal became a public issue, the same arguments were made. That was exactly a year before—well, not exactly: it was nine months before—*The Daily Telegraph* got that leaked information, and the rest, as we say, is history. That debate of 3 July 2008 is therefore of significance and relevance. The same Westminster club, with its desire for a special status in society, was eloquently defended then in the same way that we have heard this afternoon. The rich or the junior anoraks with no experience of life? Well, I am not rich: I have no inherited wealth, no wealth siphoned away—

Nadine Dorries: And no friends.

John Mann: We hear the same kind of abuse that I got following that debate—some of it to my face; some was behind my back. My proposal then—new Members might want to listen carefully to this—was that the House should debar the practice of flipping. If that had been agreed, it is eminently predictable that the issue of mortgages would not have been resurrected in the way that it was the year after. An acceptable solution would have been in place as would a coherent system of mortgages. However, the House was not interested in listening to that, because, despite the fact that my resolution was passed, even though I could not get a seconder—I had read "Erskine May" and I knew the procedures—the powers that be managed to bury its implications. It was not enacted and a high price was paid.

The principle at issue is simple—this is why I back the independence of IPSA: should we cede our ability to determine how the rules on expenses are set and managed to an independent body or not? I can criticise how things are done; indeed, I have and some of my criticisms were listened to but some were not. We can all take a view on what the system should be, but the principle remains: should we cede the authority to determine these matters to IPSA—an independent body—or not? That was the basis on which we legislated, and the motion, which would have been improved by my amendment, which unfortunately has not been selected, breaks that principle.

I oppose and shall vote against the motion because it says that MPs should have the power to determine such matters. That was the fundamental weakness in the previous expenses system. There is a lot of history and reason behind all this, but there is also reason for the state we are in. I remind the House that we are about to go through a series of court cases and that others might follow. The media will be full of that and so will our constituents. We are in that state of play because of the previous expenses system. The fundamental weakness was not just in the detail but in the principle: the public rightly hated the fact that we set our own terms and conditions.

We rightly broke with that principle and it was inevitable that a new system starting from scratch would have a lot of problems—some of us said so at the time and feared it. Whoever set up the system, whether it was this chap Kennedy with his IPSA, Sir Christopher Kelly with his committee and his review or any other body, it would have had significant problems because of the complexity of the arrangements. Arbitrary decisions will be made, as they are in every expenses system. When I ran a business, I set the system for my employees and contractors, and when I was a union representative, I negotiated and tried to improve expenses systems. Of course, there were arbitrary decisions that I thought unfair when I was operating within other systems, but there always will be in any independent system. This all comes back to whether we set the system. That is the breach point; the motion would break that principle and that is why it is fundamentally wrong.

Claire Perry (Devizes) (Con): Many new Members on the Government Benches have no issue with the principle of an independent, transparent organisation. As someone who publishes all her expenses on her website, I entirely support the move. The hon. Gentleman talked about creating something from scratch. Rather than going out and buying an off-the-shelf system that could have been provided by numerous companies around the world, we have been compelled to reinvent the wheel and we have ended up with a square wheel that is gold-plated at best. Surely, the hon. Gentleman, with

his business experience, will have come across multiple organisations that could have done that for 650 Members. We are not a multi-million pound organisation with hundreds of thousands of employees. We are a small organisation that is struggling to do the best thing by British taxpayers and our constituents. I totally support the motion that my hon. Friend the Member for Windsor (Adam Afriyie) has tabled as a way of doing it better.

John Mann: If the hon. Lady supports the motion, she supports a break in the fundamental principle on which we legislated. [HON. MEMBERS: "Read it! It doesn't say that. You can't read."] Would hon. Members like to listen? [HON. MEMBERS: "Can't you read? Read it!"] Hon. Members choose to shout abuse. Yes, I can read, I have read the motion, and I have seen what the principle is. Hon. Members should read the 2008 debate and see the problem with the culture of MPs trying to determine the detail of their own expenses.

I refute the point made by the hon. Member for Windsor (Adam Afriyie), who moved the motion, that MPs cannot do their job under the new system. I can do my job under the new system as well as I did it in the past. Nothing is restricting me in the range of things I do, or in how I interpret and do my job. I put it to him that mine is not the least busy of offices, and I am not taking on the least onerous amounts of work. In my estimation, IPSA has improved month on month, and will continue to do so. That is the salient point when starting a new system. I can see only a few areas where further improvement would have a significant impact.

George Hollingbery (Meon Valley) (Con): I understand what the hon. Gentleman is saying, and I understand his problem with the motion. As a new Member, I welcome a transparent and publicly accountable expenses system that all can see, and I understand his problem—he thinks that Parliament is attempting to control IPSA in some way. However, he must recognise that this place has a duty of care to the taxpayer. How would he hold IPSA, and its expenses and costs, to account? I believe strongly that it does not provide good value for money. I have no particular beef with how it administers the system—although other hon. Members do—but will he explain how the House, which pays for IPSA with revenue raised from taxation, will hold it to account?

John Mann: When the House passed the relevant legislation, it put in place such processes. Similar processes were in place before. Although the Speaker did not select my amendment, he has the ability and power to do that now, and he uses that power to the best of his ability.

Earlier, from a sedentary position, certain hon. Members shouted, "Read it!". So I will read out the motion, in case anyone else has not done so fully. It concludes that

"if these objectives are not reflected in a new scheme set out by the IPSA in time for operation by 1 April 2011, the Leader of the House should make time available for the amendment of the Parliamentary Standards Act 2009 to do so."

That is a fundamental step over the line between the House ceding authority to an independent body and not doing so. It might well be that an independent body establishes and maintains an expenses system that no Members of Parliament are happy with, but the moment the principle is accepted of ceding that authority, as has been done on salaries as well, that principle cannot be breached.

It is reasonable, of course, for me and other Members to raise with IPSA, or indeed any other independent body, criticisms we have and improvements we would make—and I have done so. My hon. Friend the Member for North Durham (Mr Jones) raised the issue of the travel card. I have raised that precise point with IPSA and suggested that its systems on that are far too bureaucratic, too onerous on Members and too expensive. I would consider that a sensible improvement. I have made that point, and I hope that it listens. It is right and proper that the House expresses concerns about the detail. I share the concerns, as I am sure does the hon. Member for Meon Valley (George Hollingbery), about some of the appointments at the top of IPSA. I do not think it needs all these high-falutin' executives in post and being paid. So I totally agree with him, if that is the point he was alluding to.

George Hollingbery *indicated assent.*

John Mann: I totally and absolutely agree on that point. That is a criticism I would make. However, that should not obscure the principle, and if we roll back the principle with this motion, we will be back to where we were on 3 July 2008, and we will be saying that it is for us to decide our pay and conditions. It is precisely that problem that created the system that led to the disregard in which we are still held by the British people. The fact that they believe we are all at it—all on the make—is not simply a temporary blip. For many of them that description will continue for a long time to characterise their perception of their Members of Parliament, which will bring about a fundamental weakness in our democracy.

Charlie Elphicke (Dover) (Con): I congratulate my hon. Friend the Member for Windsor (Adam Afriyie) on securing the debate. I am a new Member, one of the 2010 intake. I campaigned against the abuse of expenses, and to this day I am disgusted by it. My concern is very simple: the time that I spend fiddling around with the expenses system is time that I cannot spend helping my constituents. That is my prime concern, and the prime reason why I support the motion.

John Mann: I can tell the hon. Gentleman that the amount of time that my staff and I have to spend on the system is greater than it was before, but I recall the system as it was before. As we have learnt from what has emerged, in those days a signature would do, and the scandals that followed made it clear that that was not sufficient. No organisation in the country that experienced such a level of scandal related to expenses would not have introduced a requirement for every box to be ticked and every receipt to be monitored. We cannot set ourselves a lower standard than we would expect of any corporation, or any other part of the public sector out there.

Jacob Rees-Mogg (North East Somerset) (Con): I would have supported the hon. Gentleman's amendment had Mr Speaker called it, because I thought its tone admirable. My point concerns the independence of any regulator of a sovereign Parliament. The difficulty is that, although that regulator may be independent in

[Jacob Rees-Mogg]

title, what the House of Commons gives by legislation it can take by legislation. Constitutionally, therefore, IPSA cannot be independent of Parliament—and nor should it be, because if it were independent of Parliament, it would be independent of the British people.

John Mann: I do not think that that would be an accurate constitutional point if there were a constitution. Parliament has powers to meddle with the courts. Parliament has the power, for example, to meddle with any piece of legislation. The question is whether Parliament should cede authority over the administering of, and the meddling with, such implements.

Parliament could, at some stage, decide to abolish, but my amendment seeks to influence by threatening to abolish, which in some respects is even more invidious than simply moving to abolish. For the House to suggest, six months into a new system, that that system is too onerous to allow Members to do their job properly is absurd. Legitimate criticisms can be made on grounds of both bureaucracy and expense, but we should not reverse the principles of a decision made so recently. I warn the House that if we do, the wrath of our constituents will rightfully fall on us, because we will be saying, "The bad old days were not that bad. We will create the system that we want to fit us." [HON. MEMBERS: "People are not saying that."] Actually, people are saying many different things about the expenses system that would suit them and their position best. That is the problem with creating expenses systems: we have different constituencies, and experience different circumstances in different parts of the country.

Andrew Bridgen: Will the hon. Gentleman give way?

John Mann: I shall conclude on this: the principles on which we changed—because we were forced to change, because in 2008 and January 2009 we refused to change the system or even to countenance changes to the system—are the same principles today. In pointing that out some of us may have to become a little less popular, but in this case it is not us who are the extremists in the debate. In this case we are the moderates in the debate, suggesting a moderate way forward. I advise the House that in this case moderation would do well.

3.45 pm

Sir John Stanley (Tonbridge and Malling) (Con): My hon. Friend the Member for Windsor (Adam Afriyie) has performed a signal service to the House by initiating this debate. I congratulate him on his pertinent and important contribution.

I declare an interest. I am one of the 128 MPs who are no longer able to claim expenses for accommodation in London, even though—my hon. Friend the Member for North Thanet (Mr Gale) rightly alluded to this—my journey time correctly measured from my front door to my House of Commons office door is some two hours, and that is on days when it is not snowing.

I want to make five quick points. First, under section 5 of the Parliamentary Standards Act 2009, IPSA is under clear statutory consultation obligations. I believe that IPSA was in clear breach of those statutory obligations in respect of MPs like myself whose constituencies were not specifically identified either in the Kelly report or in IPSA's own consultation document as constituencies where the MPs were likely to be deprived of their London accommodation expenses, virtually without notice. I consider that the treatment by IPSA of this group of MPs, particularly those who have rental contracts, has been wholly unacceptable.

The chronology ran as follows. On 29 March this year, IPSA published its MPs expenses scheme, and the MPs concerned learned, out of the blue, that they would no longer obtain reimbursement for their rental contracts. The expenses scheme was brought into statutory effect on the very same date by Mr Speaker laying the expenses scheme before the House. A few days later, on 12 April, Parliament was dissolved, and the MPs concerned therefore lost any ability to contest or to object to the provisions that had been included in the expenses scheme.

Polling day was a few weeks later on 6 May, and the IPSA expenses scheme came into legal effect on the following day, 7 May. Those MPs with rental contracts found themselves unable to claim reimbursement for their rental payments under those contracts with immediate effect. I believe this was a serious breach of IPSA's statutory consultation obligations. If any employer, whether in the public or the private sector, had treated their people in the same way, they would face serious liability for damages in front of an employment tribunal.

Mr Mark Field (Cities of London and Westminster) (Con): I hope my right hon. Friend will recognise that we are not employees in any sense. We are self-employed. Had he lost his seat on 6 May, there would have been no question of reimbursement from public funds for his rental contract, however much time remained unfilled.

Sir John Stanley: There is an important point on the status of MPs, to which I shall come later. If they were self-employed, they would determine their own expenses scheme. They emphatically are not doing so.

The second point is that in its expenses scheme, IPSA produced a schedule of what it described as "fundamental principles". An important fundamental principle is fundamental principle 2. It reads:

> "Members of Parliament have the right to be reimbursed for unavoidable costs where they are incurred wholly, exclusively, and necessarily in the performance of their parliamentary duties, but not otherwise."

It is an illustration of the sad and regrettable fact that the IPSA board members have not adequately informed themselves about what is involved in the work of an MP that that principle, which IPSA says is fundamental, has not been complied with in a number of cases. I want to explain one such case.

As all of us know, what are deemed to be outer London Members—which includes a huge swathe representing constituencies in the home counties—regularly make day visits to their constituencies wholly for parliamentary purposes, such as to attend a school or a meeting with their health authority, but none of the travel costs for such trips are reimbursable under the IPSA expenses scheme unless the Member goes to his or her constituency office, which might be wholly irrelevant to the purpose of the journey. That is one illustration of IPSA failing to comply with what it describes as a fundamental principle, and I have no doubt that other Members can think of further situations when they have incurred expenses

"wholly, exclusively, and necessarily in the performance of their parliamentary duties"

that have not been reimbursed.

My third point is about a term with which we are all very familiar: maladministration. In the Westminster Hall debate initiated by the hon. Member for Walsall North (Mr Winnick), countless examples of maladministration by IPSA were given. It is very regrettable that in putting together the legislation that is the basis for IPSA, the previous Government failed to apply to IPSA as a statutory quango the same right of redress as applies in respect of a host of similar bodies—namely, the right for an individual to make a complaint of maladministration, in this case to the parliamentary ombudsman. It is equally regrettable that the current Government have thus far failed to address that.

I submitted a written parliamentary question on that point to the Minister for the Cabinet Office and Paymaster General, which was answered this week:

"The remit of the Parliamentary Commissioner for Administration (the Parliamentary Ombudsman) is updated annually. As part of this exercise, consideration is given to whether bodies established in year should be brought within the Parliamentary Ombudsman's remit."—[*Official Report*, 29 November 2010; Vol. 519, c. 560W.]

The parliamentary ombudsman's remit is under constant examination, and I believe IPSA should forthwith be brought within its remit so that Members of Parliament—and possibly others, such as Members' staff—can make a complaint of maladministration against IPSA to the parliamentary ombudsman.

My fourth point is that in any properly functioning democracy it is, of course, essential that Ministers and Members of Parliament are not in any way above the law, but equally in any properly functioning democracy Members of Parliament should have the same rights in law as are available to other individuals who are engaged in their occupational work. Under IPSA, however, Members of Parliament are uniquely disadvantaged in law. IPSA is effectively performing the functions of the employer: in any walk of life it is the employer who determines what expenses can be claimed for, how they should be claimed for and so forth, and those are exactly IPSA's functions. In any other walk of life, the employee—the person working—would be able to go to an employment tribunal. Members are not self-employed; we have employed status for tax purposes. IPSA is the employer in that it determines the expenses framework, but Members are, I believe, the only occupational group in this country who have employed status but no right of recourse to an employment tribunal. That should change, and we should have the same rights as every other occupation group, solely, I stress, in relation to IPSA and the performance of its expenses function and emphatically not—I repeat, not—in relation to the electorate.

My fifth and final point is about parliamentary privilege. Of the privileges that we have, one of the most important for the benefit of our constituents is the fundamental privilege of freedom from obstruction in the performance of our parliamentary duties. In our debates about IPSA, Member after Member has referred to the way in which they as Members, or their staff assisting them, have been obstructed by IPSA—by its bureaucratic processes, failure to answer the telephone and the 1,001 things to which Members have referred—in terms of the severe loss of time while dealing with the authority and its procedures. Indeed, my hon. Friend the Member for Windsor, in his *House* magazine article on 8 November, said of IPSA:

"It actively obstructs Members in their efforts to represent the people who elect them."

and he was absolutely correct.

I am in no doubt that this issue—the relationship between IPSA and parliamentary privilege—should be brought before the Standards and Privileges Committee. As the House knows, under current procedures, which in my view are outdated and urgently need to be reformed, the only way in which an individual Member can put a complaint about a breach of privilege in front of that Committee is by means of making a precedence motion application to Mr Speaker. Most right hon. and hon. Members know that I have made such an application because there is no doubt whatever in my mind that many Members are being materially obstructed in the performance of their parliamentary duties by IPSA, but my application was, sadly, unsuccessful.

I hope that right hon. and hon. Members in all parts of the House will not be deterred by the fate of my application; I hope that other Members will consider making an application to Mr Speaker; and I very much hope that their persuasions in relation to Mr Speaker on this issue are superior to my own.

Stephen Pound (Ealing North) (Lab): On a point of order, Mr Deputy Speaker. In view of the tragic news from Zurich and the sounds of celebration being carried on the chill eastward winds from Russia, has any approach been made to you, Sir, or to your office to disseminate that sad information throughout the Palace?

Mr Deputy Speaker (Mr Nigel Evans): The country is suffering sub-zero temperatures, towns and villages are being cut off, some people are isolated, airports are being closed, and I was wondering what piece of news could depress me more. I was wondering also which Member could bring that news to me, and I am not surprised that it is Mr Pound.

I am sure the whole House wishes Russia well in holding the World cup and to send its thanks and gratitude to the presentation team of the United Kingdom, with His Royal Highness Prince William, the Prime Minister, David Beckham and others. They did as best as they possibly could, and we are all somewhat depressed that football is not yet coming home, but we look forward to the day when it does. This is clearly not a point of order for the House, though.

Andrew Bridgen: On a point of order, Mr Deputy Speaker. I point out to the hon. Member for Bassetlaw (John Mann) that if he were slightly more generous with taking interventions, there would not be the number of comments from a sedentary position to which he objects so vehemently.

Mr Deputy Speaker: That sounds to me like a continuation of the debate.

4 pm

Paul Murphy (Torfaen) (Lab): May I add my disappointment, Mr Deputy Speaker, as another Welshman, over England's bid and congratulate those who put it forward?

[Paul Murphy]

I congratulate the hon. Member for Windsor (Adam Afriyie), whose speech was measured, informed and worthy of the best traditions of this House of Commons. It is appropriate that we discuss this matter, because it is six or seven months since the general election and since IPSA took over its duties. I am not the only one who thinks it appropriate; IPSA thinks so as well. It has embarked on its own review of how the system has worked over the past six months and how it can be improved. There is no doubt in my mind that no hon. Member thinks that we should go back to the old system or that there should not be an independent body to oversee the system. I agree with the independence of the body and that we should not go back to the discredited system of old.

Liz Kendall (Leicester West) (Lab): As a new Member, I think I am right in saying that one benefit of the old system was that when a newly elected Member took on staff who had previously worked for an MP, it counted as continuous employment. One of my caseworkers previously worked for the former Member of Parliament for Leicester West. He was recently denied statutory paternity pay, which I wanted to grant him because he had worked for the Member of Parliament for Leicester West for two years. He had not changed his job, but his employer had changed. Unfortunately, he was told that he was not eligible. Indeed, somebody in IPSA signed above my name as the employer to say that he was not entitled to statutory paternity pay. Continuous service is one element of the old system that would be of benefit.

Paul Murphy: My hon. Friend makes an important point. I hope that her comments and those of all hon. Members who take part in the debate are noted seriously by IPSA. I am sure that it is watching proceedings and will read *Hansard*.

It is important for IPSA to understand what this debate is about. First, it is about ensuring that IPSA's operation is cost-effective, because we have a duty as the House of Commons to the taxpayers of this country to ensure that it is cost-effective. Secondly, it is about ensuring that the body is working properly. Undoubtedly, there are areas in which it is not doing so. Thirdly, and most significantly to Members of Parliament, it is about ensuring that our constituents are receiving the best possible service from us.

The area of office costs illustrates my point well. My predecessor entered the House of Commons in 1958. I took over in 1987, until which point no Member of Parliament representing the old Pontypool seat had had a constituency office. That was not unusual. Constituency after constituency did not have an office occupied by the Member of Parliament. I have no doubt that if, almost 24 years on, I decided to close down the office, my constituents would disagree violently. People in every constituency expect their Member of Parliament to have a constituency base with a caseworker, where they can go to talk about their problems.

I agree with the hon. Member for North Thanet (Mr Gale) that there is a considerable difference between an MP who uses the parliamentary estate as his or her main office and one whose main office is in the constituency. The biggest change that we should make is to disentangle office expenses from personal expenses, because an office expense is not a personal one. That matter is causing considerable difficulties for Members and I believe that IPSA is beginning to understand that. It is beginning to change its policy on that. For instance, as Members will know, office rent can now be paid directly by IPSA and we can use the travel or credit card that IPSA supplies to pay certain bills. I do not see for one second why that should not be taken even further. Personally, I do not want to handle any money at all to do with my constituency office, and I believe that my constituents would agree with that policy.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I have to disabuse my right hon. Friend of the idea that IPSA can handle treating personal expenses and office expenses differently. When I asked IPSA to reimburse my expenses for living in London to my personal account and to put my claims for my office into an office cost account, which I have run for the past 18 years, it said that it could not handle two bank accounts at the same time. It could pay all the money into my personal account or all of it into my office account, but it could not separate the payments. The system is terrible and not geared up to deal with the reality of an MP's life.

Paul Murphy: The result, of course, is that the service that we provide our constituents becomes less and less effective. There is no reason in this wide world why the old system of ensuring that personal expenses are separate from office expenses should be taken over by IPSA. Its starting that process seems to me to underline the fact that it has accepted the principle that they are different.

George Freeman (Mid Norfolk) (Con): Does the right hon. Gentleman agree that the expenses scandal represented a deep crisis of trust writ large in our political establishment? The establishment of IPSA as an institution is rooted in that distrust and reflects it. As a new Member, I find myself approaching it with trepidation as if it were there to catch me out rather than help.

Does the right hon. Gentleman agree that the system would be cheaper, better and more trust-nurturing if instead of monitoring every single claim, IPSA assumed that MPs were honest and just carried out occasional, random checks without warning, as is done across so many areas of public life? If anyone were found to be cheating, IPSA would punish them, rather than assuming that everybody was cheating and spending millions of pounds of public money on that basis.

Paul Murphy: The hon. Gentleman is right in the first instance. There is and was a great need for public trust in our expenses system, as that has obviously been lost in the past year or so. However, that is not in any way contradicted by the need to improve how IPSA works. It is so important that there should be transparency, accountability and proper checking on all the claims. Today's newspaper revelations about what Members have claimed indicate that people are looking at the details online, and they can examine the hon. Gentleman's details and mine any day of the week. So there is transparency—of course there is—but the problem comes if a system is so bureaucratic, costly and difficult to administer, and occasionally so unfair, that the people

suffering are not necessarily the Members of Parliament, but those whom we represent. That is the basis of today's debate.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Does my right hon. Friend agree that one of the IPSA issues that is not transparent is the cost that it places on Members' staff time? There is no mechanism through which the staff time taken up filling in IPSA forms, dealing with IPSA, phoning IPSA, waiting on the phone for IPSA to answer and waiting for IPSA to ring us back is quantified at all. That is a grossly underestimated cost, which is totally untransparent.

Paul Murphy: That is a valid point, which many Members have raised in the debate. On days when we have to deal with IPSA issues, we tend to find ourselves spending much more time on those than on constituents' problems or on preparing for debates in the Chamber of the House of Commons.

Paul Flynn (Newport West) (Lab): Recently, there was an application for a job in my office from a candidate who described herself as "IPSA literate". The system is so arcane, irrational and impenetrable that to be IPSA literate is equivalent to having about two honours degrees. Many of us have taken the line that to impose the job of dealing with IPSA on an employee would be regarded by any tribunal as cruel and inhuman treatment. Does my right hon. Friend not agree that if a commercial organisation—an internet bank, for example—ran a system such as IPSA's, it would now be out of business because its system was so client-unfriendly?

Paul Murphy: Yes, indeed—my hon. Friend is absolutely right. Given that some years ago the then Prime Minister appointed me as Minister for digital inclusion, I thought that I had some knowledge of how to use computers, but I was defeated in having to deal with these issues. Most Members have to deal with this problem with a highly trained member of staff. I am not surprised that my hon. Friend was looking for someone who had those particular qualifications, although of course he is extremely good with computers and has been for many years.

I want to make two other points. First, the artificial distinction between core expenditure and other expenditure has to go, because it does not take into account the geographical variations from constituency to constituency in office rent, in particular, and other factors too. I hope that IPSA will look into that.

My final point relates to our staff. Not many Members have mentioned the men and women who work for us, either here in the House of Commons directly or, particularly, in our constituencies. They have been seriously disadvantaged over the past number of months, not least by the dramatic change in the pension position. It is now taken directly out of our allowances and not paid from the Commons itself. There is a very strong case that the trade unions and staff associations that represent the staff of Members of Parliament should be properly recognised and should have proper means of negotiating directly with IPSA to ensure that their conditions of service are not disadvantaged. This would not happen in the private sector or in the public sector outside this place, and it should not happen in the House of Commons.

The system must be transparent, accountable and independent, but it must also be cost-effective. Most importantly, it must be a system that allows us to represent our constituents effectively.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Nigel Evans): Order. As is self-evident, a lot of Members wish to catch my eye in this debate. I have therefore decided to introduce an eight-minute limit on Back-Bench speeches.

4.12 pm

Bob Russell (Colchester) (LD): It is important that IPSA has a voice in this Chamber. I am delighted that the hon. Member for Bassetlaw (John Mann) took on that role, because, of 650 MPs I cannot think of a better person to be the devil's advocate. I am a member of the Speaker's Committee for the Independent Parliamentary Standards Authority. Unfortunately, despite my best endeavours over the past three months, the Committee has not met. I therefore congratulate the hon. Member for Windsor (Adam Afriyie) on securing this debate and colleagues on supporting it.

It is important that we praise IPSA's front-line staff, because they, like us, are in this situation: we may be in different canoes, but we are in the same creek without paddles. We should also take on board the enormous debt of gratitude owed to our office staff. It has been estimated that the equivalent of 100 full-time MPs' staff jobs are now devoted to dealing with IPSA affairs—it is as serious as that. The hon. Member for Bassetlaw estimated that more time is now being spent on this in his office, so even the leading advocate of IPSA acknowledges that fact.

Earlier, the right hon. Member for Cynon Valley (Ann Clwyd) made a very serious allegation about the head of communications at IPSA. I hope that by the end of the afternoon the Minister will be able to say whether there is any truth in the allegations. Interestingly, today's *Daily Mail* and *Daily Express* had almost identical stories, which must have come from the same source. The *Daily Mail* at least had the good grace to say,

"Leaked figures from the…Independent Parliamentary Standards Authority".

so it acknowledges they were leaked from IPSA. The same article belittles MPs for claiming expenses in August when we were on holiday. A good journalist is always at work and a good policeman is never off duty, and the same goes for an MP and their staff.

Mr Desmond Swayne (New Forest West) (Con): Will the hon. Gentleman give way?

Bob Russell: I would rather not, because of the time limit.

We must not say that all journalists are averse to finding out what is happening. Matthew Parris, in *The Spectator* of 6 November, says:

"Now to the facts. IPSA is careering stupidly out of control. Many MPs, particularly new young members, are close to despair, but dare not complain publicly because of the witch-hunting atmosphere that still prevails."

He goes on to say:

[Bob Russell]

"The salary of IPSA's own director of communications (leading a team of three communications staff!)"

who are they communicating with, other than leaking to the national media?—"

is more than £80,000"

a year.

There are stories of MPs enduring long waits on the hotline, and long delays when IPSA replies to letters and so on, to which Matthew Parris also refers. There have been approximately 150 parliamentary questions, including some from the hon. Member for Bassetlaw. IPSA is taking up more and more time. As an MP for 13 years, I have come to realise that the job is different from anything else, but IPSA thinks that MPs work Monday to Friday, 9 to 5.

IPSA did not bother to go to constituency offices. Very early on—long before any brown stuff hit any fans—I invited the chief executive to my constituency, because I thought it would help him to know what goes on. There is a do-down-MPs culture at the top of IPSA. I do not include the front-line staff because I think that, like us, they are doing a grand job. I cannot think of any other description for that culture, and frankly, I no longer care—I have gone way past the stage of caring—what the national media may or may not say about me and my expenses. My conscience is clear. I know that like just about every other MP, for the past 13 years, my wife and I have subsidised my work as an MP. The second homes thing caused a major problem for me like it did for others because of inattention to form-filling, if I can use that phrase. That is a world of difference away from how we are now being treated. Matthew Parris finished his article in *The Spectator* by saying:

"It is left, I would argue, to Fleet Street's Westminster and Whitehall journalists and commentators and to political scientists. They talk to MPs. They know it's a big problem. Yet few have entered more than footnotes acknowledging it. Why are they silent?"

I doorstepped IPSA's offices to find that they are the most luxurious offices to be found anywhere. There we have a problem, because IPSA tells me that I am claiming too much for my converted church hall. It has even told me that my claim for a photocopying machine could not be paid. I do not know of an MP who does not have a photocopier, but I was asked to prove that mine exists. I sent IPSA a photograph of it, but even that did not work—I still did not get payment for the machine. It was easier for me to open a new IPSA bank account and front load it with £5,000 rather than wait for IPSA to reimburse me. My wife and I paid that money. I do not know of a family doctor who has to pay the rent on his surgery or pay for medicine and claim the money back, but IPSA feels that MPs should be treated in that way.

I had cause to write to the chief executive of IPSA because it managed to fail to pay the national insurance of one member of my staff for three months. We all know that a break in NI contributions can have serious consequences. I eventually received a reply—unsigned—not from the chief executive, but from the deputy payroll manager. That shows the contempt in which MPs are held in the highest levels of IPSA.

I have tabled questions to find out how our Prime Minister and Cabinet colleagues are getting on with their IPSA claims, although I have managed to get only three answers back. Hon. Members will be pleased to know that the expenses of the Secretary of State for Foreign and Commonwealth Affairs are managed by the "Parliamentary Office". The Secretary of State for Defence said that

"the information requested could be provided only at disproportionate cost."—[*Official Report*, 19 November 2010; Vol. 518, c. 966W.]

The Prime Minister said:

"I am aware of concerns surrounding the expenses system and am keen to see improvements."—[*Official Report*, 1 November 2010; Vol. 517, c. 495W.]

There we are—the Prime Minister wants "to see improvements".

I cannot work these things out, so I asked my office at lunchtime to find out the latest thing about me on IPSA's website. It said:

"IPSA Claims System—Web Site Error...A general website error occurred during your last performed action...System administrators have been notified. Please try again later."

There is much more that I would like to say. Frankly, however, IPSA needs to get its act together. Even the Prime Minister says that there must be improvements, so I look to the Chamber to set the ball moving today. If the hon. Member for Bassetlaw wants a vote, let us have a vote.

4.21 pm

Mr David Winnick (Walsall North) (Lab): One point arising from the speech made by the hon. Member for Colchester (Bob Russell) that I shall immediately take up is the need for IPSA's offices to be on the parliamentary estate. I hope that my right hon. Friend the Member for Leeds Central (Hilary Benn), who will lead for the Opposition, and the Minister will support that in their winding-up speeches.

It is always unfortunate when the House is debating its own affairs. I recall our 1996 debate on salaries. That was necessary and justified in the circumstances, but no one relishes discussing our internal matters.

My hon. Friend the Member for Bassetlaw (John Mann) is not in a minority of one as someone who wants a proper, transparent system. He is also not alone in wishing to ensure that the abuses that occurred before never occur again. We are all of the same view. Indeed, in April and May 2007, although I do not recall that my hon. Friend was present, about five or six of us attended the Chamber strongly to object to and protest about a private Member's Bill that would have exempted Parliament from freedom of information legislation. I was pleased that that Bill never became law. In addition, about 10 years ago, I was one of those who opposed the way in which the then Parliamentary Commissioner for Standards had her contract terminated—or at least not extended—and we had a pretty good idea why that happened.

I would be absolutely delighted if the alternative system brought in under IPSA was doing its job, helping Members, ensuring that everything was transparent and above board, and operating so that abuses could not occur. However, the fact of the matter, as the debate has demonstrated, is that that has not happened—it is the opposite in many respects. The manner in which IPSA was introduced and started its work was, in many ways, intended to teach us a lesson, but I believe that teaching us a lesson is a matter not for IPSA, but for the electorate. Moreover, we saw in May a large number of

new Members—more than a third of the House. Surely new Members did not need any lessons about abuses because they were not here at the time.

Jo Swinson (East Dunbartonshire) (LD): I also remember—albeit from the other side of the House—opposing the Bill to exempt MPs from freedom of information legislation, which thankfully never became law. I understand the hon. Gentleman's point that IPSA needs to do better. Indeed, those of us who would have liked to support the amendment tabled by the hon. Member for Bassetlaw (John Mann) accept that point. However, does the hon. Member for Walsall North (Mr Winnick) agree that this is an issue of trust? The public lost trust in the MPs' expenses system entirely. If we were to vote today to legislate to change IPSA, if we do not like what it is doing, such a threat would do nothing to rebuild the trust that we need the public to have.

Mr Winnick: I hope that I will have time to deal with the valid point that the hon. Lady makes. I remember her joining us to oppose the Bill that would have exempted Parliament from freedom of information legislation. At that time, those of us who opposed the Bill did not get much support from Government and Opposition Front Benchers, but be that as it may.

If it was difficult for those returning to the House after the election to deal with IPSA, it must have been an outright nightmare for new Members trying to sort out their constituency offices, their staff and their rented residential accommodation, either in London or in their constituency. IPSA in no way wished to be in a position to help. It had a helpline, but if ever there was an anti-helpline, that was it. We could not get through to it. Even now, it is difficult, but it was certainly so at that time. And even if we managed to get through to the helpline, the person who answered the phone—whom I do not blame—made it perfectly clear that he did not have the authority to give us the necessary information. I had some experience of that myself.

I entirely accept the point made by the hon. Member for East Dunbartonshire (Jo Swinson) that the abuses that occurred did tremendous damage to Parliament. Of course they did. Some Members abused the system in such a way as to enrich themselves without caring at all about the reputation of Parliament. They were obviously working on the assumption that none of it would come out. As I said earlier, there is no question but that we need to ensure that that does not happen again. Of course the system has to be transparent and honest, and I only wish that IPSA was doing the job that I would like it to do.

I employ staff to assist me in carrying out my duties as a Member of Parliament. I do not believe that I am employing them to process my claims. Why should a member of staff be involved in that? That is not a matter of confidentiality; far from it. I want all the information to come out as quickly as possible. It can go on any website as soon as possible; I have absolutely nothing to hide, and I am sure that that applies to other hon. Members as well. But it is not the job of the staff to be involved in processing my claims. It so happens that I might be guilty of this, although I was not aware that there was a great issue at the election as to whether I would be able to process the electronic devices involved. It so happens that I cannot do so, so there is no alternative but to have assistance. But why can we not submit our claims on paper, as we did previously? I used to submit my claims almost religiously near the end of each month, and I would always enclose the relevant documentation. I would not have expected the old Fees Office to receive my claim without it. Now, everything is separate. The claim is processed and the documentation is sent on accordingly.

Then there is the question of the word "expenses". The general public might feel that we can claim expenses of £40 or £50, and perhaps a cab fare—not that we are entitled to claim it—or a meal here and there, but there are very large sums involved for those of us who are not rich. My hon. Friend the Member for Bassetlaw is not alone in not having inherited wealth. Indeed, I am not aware of many Labour Members who have done so, and I imagine that a good number of Government Members have not inherited wealth either. The sums involved—utility bills, office rent and so on—mount up to a considerable sum for those of us who do not have substantial wealth. That is all the more reason why, in some instances at least, those expenses should be paid directly by IPSA, once it is satisfied that all the documentation is in order. If everything has been checked and double checked, and IPSA is happy with the documentation, there is no reason why it should not pay those expenses directly.

The hon. Member for East Dunbartonshire said that, from the public's point of view, it would look very bad if we agreed to abolish IPSA. I think that, to a large extent, the answer lies with IPSA. It should be willing to listen, and to recognise that the criticism is valid and legitimate, that we are not on the make, and that we are not crooks and not dishonest. If IPSA recognises that what we are saying today is legitimate and valid, and that there is a need for flexibility and a need to look again at these matters—this does not apply so much to me, at my age, but it is important for Members with young families—I do not believe that it will be necessary to change IPSA as such. However, if it continues to remain obstinate and remote, I am afraid that the time might well come in this Parliament when Members will have no alternative but to conclude that new arrangements should be made, and that they should be transparent, certainly, but different from what they are now.

4.30 pm

Mr Richard Bacon (South Norfolk) (Con): It is a pleasure to follow the hon. Member for Walsall North (Mr Winnick), who made a fair and balanced speech. I agree with pretty much everything he said.

I want to make two brief points, the first of which is about time. I have had to cancel meetings with constituents to spend more time dealing with IPSA, and I do not think that that can be right. The IPSA system and website are so cumbersome that they take far too long to operate, which has a direct effect on the time available to look after constituents. That cannot have been Parliament's intention. When IPSA gets things wrong, as it does, one then has to spend extra time explaining why it has got things wrong.

My hon. Friend the Member for Windsor (Adam Afriyie) said that this debate was not about personal inconveniences, and I agree with him—it is about much broader issues. I do not want to dwell on a personal inconvenience, but I wanted to raise one example because I think that it illustrates the nature of the problem. I

[Mr Richard Bacon]

recently discovered that IPSA has refused to pay my constituency office telephone bill. I have not met anyone who thinks that is right, but I resent having to spend time investigating it and explaining to IPSA that my constituency office telephone bill is an entirely legitimate cost. So far, I have been too busy to do that. I fear that when I eventually find time to do it, IPSA will tell me that my complaint is now outside some arbitrary time limit that it has set. It should not be necessary to waste time explaining how absurd that is, so I shall move on to my second point, which is about value for money.

Immediately after the debate on IPSA in Westminster Hall some months ago, I was approached in the corridor by a representative of a major card payments company. In conversation with him, I said, "Wouldn't it be great if we could have a system whereby if we paid for something such as a toner cartridge for the office printer we knew within 24 hours or so it would be published on the internet so that everyone could see it?" He replied, "It wouldn't take 24 hours. We could do it almost instantly, within a few seconds." Of course, that would be much cheaper than the current system. That would suit me fine and I think it would suit my constituents, who have a right to know how public money is used. I am in favour of complete transparency about where public money is spent. Indeed, I have spent my entire time in this House—the past nine years—trying to do my best on the Public Accounts Committee to defend the proper use of public money.

Instead of such a simple plan, we have this extraordinary situation where the arrangements are staggeringly expensive—they cost about £10,000 per MP to administrate—yet they offer satisfaction neither to members of the public, who quite rightly want to know how their money is spent, nor to MPs, who are trying to do a job.

This morning, IPSA has protested that it cannot publish receipts because it would be too expensive, but it should be expected to do more—much more—for less money. Publication of all the required information should happen constantly in real time or near real time. It would be cheaper than what IPSA does now and, technically, it would be easy enough to do.

I ran my own business 10 years ago. I sent electronic invoices to my clients and received payment from them electronically, and payment systems have moved on considerably since then. I do not believe that at present IPSA uses public money economically, effectively or efficiently, so I am pleased to support the motion, particularly because I know that the proposals made by my hon. Friend the Member for Windsor would save over £4 million per year of public money.

4.34 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): I welcome the sea change from a system that was clearly not transparent as far as the public were concerned. It was clear that the public thought that the system we had before contained hidden powers for Members of Parliament and a lack of transparency. The electorate were right to demand a redefinition of what we were allowed to spend their taxes on. I have no regrets about all the things for which expenses were available before but have now been withdrawn. It would be wrong of us to think that the public did not demand changes—and they got changes. I regard it as important that we have an independent, transparent system, controlled and reconciled by a body outwith the control of MPs. That is why I cannot vote for the motion.

However, I disliked the witch hunting that went on during the process of change. It distorted the public's view, and IPSA is a system based partly on what is acceptable to the tabloid journalists and *The Daily Telegraph*, as well as to the few hotheads—only a few dozen in my constituency—who demanded that we should pay everything out of our salaries and sleep on a park bench. As I have said again and again, it is a punishment system, although IPSA did not mean it to be.

I have to be quite honest that I disliked the windbaggery at the time, of which we have heard some more today, with people playing to the redtops and going for populism rather than common sense in their speeches. That is not useful to any of us. I am sad to say that I could not have supported the amendment tabled by my hon. Friend the Member for Bassetlaw (John Mann) if it had been selected, because he is doing it again. It mentions apologising unreservedly to the British people—should the 300 new Members vote for that? It suggests that the House trusts IPSA, but I do not trust it. I think IPSA is an incompetent system, put together by people on a board in which I have no confidence, under a chairman who I do not believe understands, or has even tried to understand, what is required. I told the gentleman that to his face, and I have not been persuaded to change my opinion.

If any Member says that IPSA is not interfering with their task of working for their constituents and constituency, either they are not getting reimbursed, they are getting a member of their staff to do the work for them or they are working longer hours. I have an ongoing case in my constituency of a man of 53 who buried his 30-year-old son, who developed pneumonia and left behind four children. That man is an unemployed bricklayer in the middle of a recession that is particularly affecting the building industry. He is my priority, so I chose to deal with his case rather than to start claiming back some of the road travel expenses that I have never claimed since the day that IPSA came into being. I do the same every time—I give priority to my constituency work load and what my constituents need, and I keep putting off claims.

Of course, IPSA's 90-day rule means that many claims for such legitimate expenses will be denied me, as the right hon. Member for Tonbridge and Malling (Sir John Stanley), who travels two hours to the House every day, told us earlier. It has made an arbitrary rule that after 90 days, it does not matter what we have spent money on, we cannot get it back. Another arbitrary rule is that if we forget to send the paperwork within seven days of an online claim, it can deny us the payments. That has nothing to do with the legitimate claims and expenditure of Members of Parliament.

Now is the correct time to have this debate, which is not about having a whinge at IPSA. It has said from the beginning that there will be a six-month review, and that it will improve the system. My contention, as I said to Sir Ian Kennedy when he came to speak to the Scottish Labour group, is that just as a camel is a horse designed by a committee, IPSA's system was supposed to be a horse but is in fact a donkey. It was designed by

people who were not competent to design it or they met a man, or maybe even a woman, of shifty personal background, who sold them a system that is inadequate and yet much more tortuous.

My son is a senior systems solutions architect for Hitachi. He was awarded the Hitachi systems engineer of the year award for the Association of Southeast Asian Nations countries last year. He laughs like a drain every time I tell him about our online claim system, which we have to back up like some sort of petty cost clerk, by putting together all the paperwork and sending it all in for somebody to check.

I tell my son that two companies are involved—one in Manchester, which is getting a good old pay-off for the online system, and a wedge of people up on Victoria road in rather palatial circumstances who are supposedly checking every single invoice that comes through, and who boast about having turned down so many claims from Members that are in fact legitimate. We have heard that they have even refused claims for people's offices or not paid national insurance. That is not a system that is working efficiently, but it is costing the Government, and the people through their taxes, a lot of money.

I have had a number of useful conversations with the acting chief executive. I always worry about acting chief executives—are they afraid that if they recommend radical change they could be sacked? He is still acting chief executive, yet he seemed to respond well to everything I said to him.

I have experience of running a claims system as a leader of a council for 10 years. We used a paper system, rather than an online and a paper system. I also have experience of using the system in the Scottish Parliament. At the moment, I get all the bills for my office, which I share with my MSP, paid directly out of the allowances of the MSP and they then send me a bill from the Scottish Parliament and I pay it back to them. That arrangement is much quicker, much more efficient and much more transparent. There has been a suggestion that we move to a system of direct payment. Sadly, I think that a Member who spoke earlier was wrong, because IPSA has moved only slightly in the direction of saying that it will directly pay contracted regular payments, for example, our office rent and our office council tax. IPSA has also offered to do this for our second homes allowance, but—

Jo Swinson *rose—*

Michael Connarty: I am sorry, but I do not have time to give way. IPSA cannot handle the idea that we might want to claim less back than we pay or that we also have regular non-contracted payments that vary, such as service charges for flats. IPSA can handle only very limited things. What it cannot do is handle a system where we send it the invoice, it verifies that it is legitimate, it pays it and then deducts it from our allowances, because IPSA is against an allowance system in principle. IPSA wants a system that is so stupid that we have to make the claims.

IPSA has done something bizarre in terms of transparency by saying that it will pay on invoices: we send it an invoice before we pay it, it will send us the money and then we have to remember to pay the invoice. I predict that there will be tragedies in that way; people will lose invoices and will fail to pay them. If we pay them by credit card, where do we get the receipt to prove that we have paid?

The final thing that I want to talk about is the travel card. We get a paper version where we could clearly fill in what it is for and sign it at the bottom, as we used to do. We could then attach to it any receipts that are not coming from the travel office—the travel office will send IPSA every receipt directly—and so all of my flights, my train journeys and all my use of the Heathrow express would be covered. But IPSA does not want to know about that; we still have to go through a system of having this all put online, then following up on the cost part, assembling all the bits of paper and sending everything in. IPSA is not fit for purpose and it is costing us a lot of money. It is not time to take all the power back to MPs, but it is time to reform it properly.

4.42 pm

Mr Charles Walker (Broxbourne) (Con): I am a sinner and I embrace sin. In the previous Parliament, I used the expenses system almost to its fullest. So I am no angel and I accept that I have to take my share of responsibility for what went before—but that is then and this is now. I fully appreciate that IPSA was set an impossible task by this Chamber in July 2009. We legislated in haste and are now repenting at leisure. The Chancellor said last week that "I told you so" is not a policy, but in July 2009 I did say that we were going to regret the haste with which we were introducing the plans for IPSA and we are now regretting them bitterly. The "problem" we have in this place—it is part of its richness and is not necessarily a problem—is that all 650 individuals do their jobs differently, and trying to shoehorn them into a one-size-fits-all solution was always going to end in tears.

I fully appreciate and acknowledge the public anger at what went before, because it was unforgivable. However, we should recall that by July/August 2009 the Fees Office had got its act together and for that final nine months things improved dramatically. They improved at an annual cost to the taxpayer of £2 million a year. That is a significant sum, but it is not as significant as the £6.5 million a year that IPSA is costing the taxpayer. This must not be about taking revenge on Members of Parliament; it must be about value for money. In six months, IPSA will publish its first year's figures and they may well show that the cost to this country of Members of Parliament has reduced. However, we should treat those figures with great caution, because if the cost to this country has gone down because Members of Parliament are not claiming legitimate expenses or are funding them out of their own pockets, that is no victory at all.

Over the past decade we have talked about improving the diversity of representation in this place—diversity of race, creed and colour—and we have moved forward immensely. However, there is no diversity if everyone here ends up being rich—wealthy; having family money or independent means. Of course, the make-up of this Chamber is not going to change overnight—it is not going to change at the next general election—but over time it will change. This place will become the preserve of the better-off, whether they sit on the Government Benches or the Opposition Benches. There are many things to recommend the US political model, but one

[Mr Charles Walker]

thing that does not recommend it is the fact that most people who sit there have significant private means.

Let us talk further about diversity, because we now have a great diversity of ages here. We have people in their 20s and one person in their 80s. That is healthy. People of all age groups need to be represented in this place, but how can we have a diverse system when some Members—perhaps in their late 60s or 70s—are expected to travel an hour and a half to two hours home every night? We deposit them on a platform somewhere in the far-flung parts of the home counties at midnight. That is not going to encourage diversity. It will not encourage women to come to this place either, if we expect them to go home at midnight. They have not been out for a night on the town; they have been working on behalf of their constituents.

I did a quick and dirty survey of Conservative Members of Parliament, to which I received 173 responses. I want to share the following five, anonymous, responses with the House:

"I'm too scared to claim";

"IPSA shows no interest or desire to keep families together";

"Regular nights spent sleeping on the office floor";

"IPSA is anti-family and favours richer Members";

and:

"People won't claim and only wealthy people will come here as MPs".

Is that really what we want a 21st-century democracy in this country to look like? Do we really want Members of Parliament sleeping on their floors? Do we really want young parents separated from their children for huge amounts of time? Do we really want people to be paying legitimate expenses out of their own pockets, or the pockets of their partners or parents? That is simply a ridiculous place to be.

I have to say that I was disappointed in *The Times* newspaper yesterday. I have a great amount of time for *The Times*. I read it avidly and I thought that its reporting of the expenses scandal was fair and balanced. However, when it says in a headline: "MPs are already flouting new rules on expenses", it really does worsen the situation, deteriorating it even further. The article continued:

"The list of rejected claims...reveals how MPs were caught submitting duplicate claims, failed to provide sufficient documentary evidence to back up their demands and, in dozens of cases, flouted the new rules. One MP was refused £338 for a shredder".

That was mentioned by the right hon. Member for Cynon Valley (Ann Clwyd). Since becoming a Member of Parliament, I have dealt with cases that involved murder, rape and child abuse, and my God, we had better be shredding that stuff! As much as I respect *The Times* as a newspaper, if it wants to be responsible for heralding in the age of the rich, privileged Member of Parliament, what I have quoted is just the sort of stuff that will bring that about.

I want to say one more thing—this is not an attack on the Whips Office, but a statement of fact. Members have heard me talk repeatedly in this place about the creeping power of the Executive, and I will say this: if we worsen the financial situation of Back Benchers, we will inevitably increase the power of the Executive, because the attraction of becoming a Minister will be even greater. It will not just be about the ministerial car or the red box; it will start being about the money as well.

If the expenses scandal taught us anything, it was that what our constituents want most is independent-minded Members of Parliament who do what they say and mean what they say. I have grave concerns about IPSA and what it is doing to this place. Things must change because if they do not we, our democracy and our constituents will all be worse off.

4.50 pm

Tony Lloyd (Manchester Central) (Lab): I am delighted to follow the hon. Member for Broxbourne (Mr Walker), who made an extraordinary speech—it was the right speech to make today. I say that advisedly because this issue unites hon. Members across the Floor of the House, but not in some crusade against the idea of an independent parliamentary standards authority and least of all against a recognition that some of what happened in the previous Parliament was gross and unacceptable. I hope that that view is shared universally across the House.

The hon. Member for Broxbourne put his finger on the main point: this is about the future. I hope that IPSA will listen to this point. We have heard many legitimate grumbles by our colleagues today about the difficulties they have had with IPSA and it is right and proper that they should be heard. To be fair, I think that IPSA has been steadily improving its act, but there are still too many problems with the system, as we have heard. The critical issue is the kind of Parliament we will create if we do not reform the system—I know that was the motivation for the hon. Member for Windsor (Adam Afriyie) in securing the debate and making his comments—and it is critical that the most senior people in IPSA, from the board to its senior managers, listen carefully to what is valid in the debate.

The right hon. Member for Cynon Valley (Ann Clwyd) made the point that when we hear about items such as shredders being refused, it brings the system into disrepute. I have had a shredder in my office for many years—it is pre-IPSA and long-paid for—and I use it to shred documents of the kind that the hon. Member for Broxbourne mentioned because I simply do not want to risk that paperwork getting into the public domain. That is a legitimate use of the money that MPs offices are provided because it protects and serves constituents—that is an important point to make. However, I would forgo that shredder if that were the only problem. The important test is what kind of House this will be in future if it is not family-friendly for people with young families and if family travel goes out of the window when children pass an arbitrary age because of a rule imposed from goodness knows where. It then becomes difficult to accommodate a family unless the individual concerned has personal wealth.

Malcolm Bruce (Gordon) (LD): Does the hon. Gentleman think it odd that IPSA wrote to tell me—presumably, it also wrote to other Members—that I could bring my three children to London and claim expenses for 15 journeys a year but that I could not claim for my wife once? I wonder whether I should send the children around to IPSA to look after while I am working.

Tony Lloyd: Yes, it is odd. These issues are odd and arbitrary and IPSA must recognise that the system needs reform. It has begun to talk about the reform process so it is reasonable for the House to debate the kind of reform we need. If IPSA is engaged in a process, we should be part of the dialogue about how to move it on, and the experiences we have been hearing about show the direction that IPSA must take.

I want to mention one or two other areas where reform is needed. High on the list of priorities for all Members are matters relating to how people move through different lifestyles and ages. Some people will enter the House at a young age, perhaps with young families, while others will be older, but all will have different needs and different requirements. A proper Parliament should be geared up to accommodate Members of different backgrounds and needs at different stages of life. That ought to be automatic, but it is not so now. We need change there.

We need change in other areas that make it difficult for us to operate as Members of Parliament. For example, some of the arbitrary rules on the office cost ceiling might make sense in the lowest-cost parts of the country, but make no sense in large parts of London and even in constituencies such as mine. My constituency is actually one of the poorest in Britain, but its benchmark office costs are those for the city of Manchester. IPSA has to take those things seriously if it is to allow Members to do their jobs.

The issue of travel is fundamental. In virtually all the years I have been a Member, in all my different roles—whether on the Government Front Bench, the Opposition Front Bench or the Back Benches—it has been accepted that if a Member needs to travel on parliamentary business, their needs will be met, if the travel is legitimate. For Ministers that is automatic, and senior Opposition figures have it provided through Short money, but as we move down the political food chain—if that is the right terminology—that now ceases to be the case.

You know, Mr Deputy Speaker, that under the present rules, some travel outside a Member's constituency will be paid for, while other things will be refused. My right hon. Friend the Member for Rother Valley (Mr Barron) pointed out to me that, as somebody who has spent the last 27 years in Parliament actively engaged on health matters, were he to travel from his south Yorkshire constituency to, for example, the Christie hospital in south Manchester, he would not necessarily be able to claim it as a legitimate cost, even though anybody with half a view of his work over the years would recognise it as important and fundamental to what he does.

Mr Kevin Barron (Rother Valley) (Lab): I travelled from my home in south Yorkshire to Huddersfield university a few Fridays ago, as the chair of the all-party group on pharmacy, to talk to 300 pharmacy students about pharmacy and how Parliament operates. I thought that was a legitimate claim, but it has now been denied. IPSA needs to look at these things, although I agree that it is improving in respect of some expenses claims.

Tony Lloyd: The sad thing is that, in refusing what most people would consider a common-sense, legitimate claim, it will now show as one of those wicked claims that IPSA has refused. That is how ludicrous the situation has become.

We can, of course, spend a lot of time apologising for what happened in the past. Individuals, and the House as a whole, had to go through that painful process. Those of us who were here then definitely went through it, but a third of the House consists of new Members who have no reason to apologise. However, they do have a need to function as proper Members of Parliament. Those who come in new at the next general election will have the same need to operate as functioning Members whose legitimate expenses are paid. That is the big test not for the House, but for IPSA in its review process, which is about to take place. IPSA has to get this right, not for my sake or the sake of the shredder in my office—I will give it back and buy my own, if that is the test—but to ensure that we have a Parliament that can do the work that the public do not necessarily always expect us to do, but which they need us to do.

4.59 pm

Peter Bottomley (Worthing West) (Con): Parliament should create its own website, on which any Member of Parliament with a legitimate claim refused by IPSA could post it, along with an explanation, and once a week, IPSA should explain to its board, and put on the website, the reason it turned down certain claims. That way we could say in public, "This is the reason we put in the claim." We could put on the public record the fact that it was not accepted, and then IPSA could explain why it did not accept the shredder, the visit to the pharmacy students or whatever.

Spouses cannot now get their trips to constituencies paid for. Once, when I was abroad on overseas duties, and when representing my first constituency, I asked my wife if she would take my advice session. She did. She has a master's degree in social administration and is a psychiatric social worker. She is competent in all such matters. She said that I was not trained sufficiently to do the sort of work that I was being asked to do, and she may have been right: that may be one reason why she became a Member of Parliament herself.

If I asked a member of staff to take charge of an advice session, IPSA would pay. If I ask someone who could do it just as well—someone with 21 years' experience in the House of Commons—IPSA will not pay. That strikes me as an odd position to have arisen. However, I agree with my hon. Friend the Member for Windsor (Adam Afriyie) that the individual members of staff at IPSA are good people. I have been to see them. The first time I visited their building I was going to the Stag brewery, where Watney's was making Red Barrel. The parties were better then.

I do not want to expose IPSA to scorn, but there are some things that I think stop us being serious for just a moment. We all know that when a claim has been prepared, we have to go through hoops to get a barcode. Once we have the barcode, we must print out a sheet of paper. It takes eight separate key presses to proceed from the stage of having the barcode in front of us to the stage of having a printed piece of paper in our hands. I do not believe that a single member of IPSA has been through that process, because anyone who had would have said, "This is absolutely wrong."

Once there is a hard copy of the receipt and the printed-out barcode sheet arrives with IPSA, what happens? I will give the House one guess. A member of IPSA's

[Peter Bottomley]

staff generates another barcode to put on the bits of paper. There is a perfectly rational reason for that, but if all the members of staff and Members of Parliament were told that that is what happens next, they would say that it was unbelievable.

IPSA sometimes gets things wrong. We can all make honest mistakes: indeed, some of our colleagues who were exposed to public scorn made honest mistakes. When my PA wanted to arrange maternity cover and was going to telephone IPSA to ask how it would be arranged, I instructed her not to hold on for more than 45 minutes each time she did not receive an answer. That happened three times. IPSA tells me that, on average, its staff answer the phone in less than 10 minutes. When IPSA did respond, it said that payment for maternity cover would come out of the contingency fund, and both my PA and I would have to sign a statement that what was happening was both unavoidable and unexpected!

That was an honest mistake, and I am not criticising IPSA for it. What I am saying is that MPs who do not even make an honest mistake, but make an honest submission of a claim for a shredder or for a journey that is perfectly acceptable, are potentially exposed to what we read about in *The Times* yesterday, and to much more excitement after that.

I have shown IPSA people what happens when I log on to deal with a small self-invested pension pot: it takes me about 15 seconds to log on and be able to move money around. I have shown IPSA what happens when I engage in online banking: it takes about 25 seconds to log on and be able to make payments to people, for instance. I have explained to IPSA—I think that it understands this, and I am sure that the review will lead to even more improvements—that when virtually every Member of Parliament is buying office supplies from the same supplier, I do not understand why I should be expected to work out from the statement I receive from the firm, with invoices attached, which supplies I paid for last month, which supplies I am trying to pay for now, which supplies I have claimed for, and so forth. I do not think that anyone should have allowed such a rigmarole to develop.

In all my work—when I was working for the British Steel Corporation, a large organisation, and in my last job, when I was putting neon lights outside theatres and cinemas in the west end with 25 colleagues—I do not think that I have encountered any procedure that has been so demanding of both time and precision as the current expenses system.

Mr Gale: Can my hon. Friend possibly explain why IPSA is incapable of paying a bill directly and insists that it should go through a Member's bank account, given that, at a third of the cost, the old Fees Office was able to pay literally any bill directly to the supplier?

Peter Bottomley: I normally reply "Yes" to my hon. Friend, but in this instance the answer is, "No, I cannot." However, I think it comes down to the fact that members of the authority did not work their own way through the system, and did not talk to, say, a random selection of 10 Members of Parliament to ask what happens.

My right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) mentioned the problems with the IPSA drop-down menu, which does not include an option for us to go to our constituency to attend on a constituent or to attend some official function there. We are supposed to start at our constituency home or our constituency office. As it happens, I have a home in my constituency, but not so far as IPSA is concerned, because it is not paid for from public funds at all. There is an office of my association, which is not where I hold by advice sessions or other events, so I have the same problem as my right hon. Friend.

I have spoken to IPSA about the problem and I think it has a solution, but the problem should not arise. In the same way, we are told to find the cheapest way of going on journeys by train. Again, this is not the heaviest point to be made, but it is worth making. I had to go to the headquarters of the Sussex police in Lewes, outside my constituency, with a constituent who had wrongly been accused of rape. I found that I could go there and back for £5 return, so long as I booked in advance.

I said to IPSA, "The money doesn't really matter. It's not the principle, it's not the money, it's a matter of interest. If the meeting overruns, or the senior police officer cancels the meeting and books it on another day, will you please pay me back the £2.50 if I have to take another train back or the £5 if I don't go at all?" The answers that I got were delphic. IPSA was not quite saying no and it was not quite saying yes. It is the sort of question that we ought to be able to put and ask, "What is the answer?"

As another example—this is the way I work—my local association provides a walk-in service for constituents, individuals, businesses or community groups. As a liaison with me, the association can set up meetings, photocopy documents, send them to me or speak to me on the phone. I am not employing the staff or renting the building. We have come to an agreement on what the rough cost is and made an arrangement at slightly below that. The cost is not a problem with IPSA. The problem is which budget should cover it. I intend to ask IPSA to relax the limits on the incidental expenses. That seems the sensible way to deal with it, rather than force it wrongly into office or staff expenses.

Such issues matter. Members are told that they must go back to their constituency or not claim for a home in their constituency if it is less than an hour by train, platform to platform. IPSA must revise that. My constituency is on the south coast. I have come in from King's Cross and it has taken 40 minutes to get from the platform there to Westminster. The idea that a Member can then travel another 45 minutes—say, to the midlands—and expect to be useful the next day is fine if they start work at 2.30 when they come back. I pay tribute to my colleagues who are here at 8 am, or before, or shortly afterwards. Under IPSA's conditions, they cannot do a proper day's work as Members of Parliament.

I confirm the view of the hon. Member for Linlithgow and East Falkirk (Michael Connarty) who said that given a choice between doing expenses or helping a constituent, the duty is to help the constituent. When I was doing my expenses yesterday at 4 pm, expecting a two-hour break, a woman rang up. On 29 April her gas was turned off, and her new boiler might come next June. She has had to move out or would have got hypothermia. It took two hours to get the problem solved and next week she will have the boiler. I prefer to lose some of my own expenses because I came here to do good for other people, not to do good for myself.

Mr Deputy Speaker (Mr Nigel Evans): Order. We will hear from the Front-Bench speakers next. They have agreed to show time restraint. The debate from the Back Benches will then resume.

5.8 pm

Hilary Benn (Leeds Central) (Lab): I welcome the opportunity provided by the Backbench Business Committee to debate the operation of IPSA, courtesy of the effort shown by the hon. Member for Windsor (Adam Afriyie). I do not propose to rehearse how we got here, as other hon. Members have done so, except to say that parts of the previous system did not bear close examination, nor did they command public support when they were unveiled to public view. The hon. Member for North Thanet (Mr Gale) summed it up well when he said that things went badly wrong.

Things had to change, and the Parliamentary Standards Act 2009 was the means by which the system was changed. As the House has learned, transparency was the best way of dealing with the problems of the past and is the best way of doing things. Members know that all the expenditure that they incur will be seen and scrutinised by the public. When the public, our voters, see the cost of the phone calls, the office rent, the stationery, the train travel and the accommodation, which is published today by IPSA, they too will realise that this is about nothing more and nothing less than the tools that MPs need to do their job.

The first point that I want to make is that in debating changes to the system as a prelude to the review that IPSA is undertaking—changes that are definitely needed—we must preserve the principle of transparency, a point made by my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) and many others, and we must uphold the principle of independent oversight. I gently say to my hon. Friend the Member for Bassetlaw (John Mann) that nobody wants to overturn that, and nor should we.

Mr Jenkin: Will the right hon. Gentleman comment on the fact that IPSA has said it is not going to publish invoices and evidence of payment? Does he agree that it is slightly illogical to have a system based on transparency and evidence of payment if we do not then publish the evidence of payment, and that that recalls how we got into this mess in the first place?

Hilary Benn: I would make two points. First, an independent body is now looking at those receipts and making a judgment about whether they come within the purview of the rules, which is very different from what happened before. Secondly, there is a balance to be struck between the cost of publishing receipts—it would be very expensive—and total transparency. Since one of the themes of our debate has been the cost of IPSA as a whole, in offering a view, the House will, in the end, have to say to IPSA, "How do we wish to balance that?"

Mr Bacon: The right hon. Gentleman says there is a balance to be struck between cost and transparency, but in fact the reverse could be the case: total transparency through the right kind of card payment-based, web-based instant publishing system could be cheaper as well as more transparent.

Hilary Benn: I think there is a lot in what the hon. Gentleman says. This debate has produced many ideas and suggestions, and I hope IPSA will take them on board in deciding how the system might be changed.

We must also take into account that setting up IPSA was a very big task. We all acknowledge that there were bound to be teething problems, and hon. Members should recognise that a lot of hard work in a very short space of time has gone into establishing the organisation. I, for one, would simply want to say that in my experience all the IPSA staff I have met—I have visited the offices—and all the IPSA staff to whom I have spoken on the phone have been unfailingly helpful in trying to assist. The problem that brings us here today is clearly not the staff; it is the system itself—how it was designed and the ways in which it does not work.

If we ask Members, "Do you think IPSA is helping you to do your job," which ought to be the real test, the clear answer we get—we have heard it today—is, "No, it is not." It also seems that Members are not entirely sure that IPSA fully understands the work we do as Members of Parliament.

Mr Adam Holloway (Gravesham) (Con): Members such as the saintly hon. Member for Bassetlaw (John Mann) have allowed the impression to be put about that expenses are, somehow, some sort of perk. In fact they are what we need in order to do our job. Before I entered the House, I worked for months, or years, with "Newsnight", "World in Action", "Panorama", *The Sunday Times* and ITN, and what amazed me on arriving here was how many things that I needed to do my job had to be paid for from my own pocket, which was never the case when I worked in the media. I cannot think of any organisation that regularly expects one subset of its members to spend seven or eight hours at home every night on this issue. It is extraordinary.

Hilary Benn: The salaries of the staff who support us in our work are not by any reasonable definition an expense. In fairness to my hon. Friend the Member for Bassetlaw, I do not think he was making that argument; that is an interpretation that others have sought to put on what has been said.

A number of issues have been identified both in this afternoon's debate and elsewhere. The first is the expense of the whole system because of its complexity, the multiple checking, and the transaction cost to IPSA and Members of Parliament in trying to make it work. The second is the sheer amount of time it takes, in part because compared with the old system a lot of the inputting of data has been outsourced to Members of Parliament and their staff. The time taken in collecting, checking, clarifying, going online, copying and posting and so forth means MPs and their staff are spending too much time doing accounts, rather than holding the Government of the day—of whatever party—to account, which is what we are elected to this House to do. We know that some MPs do not claim back legitimate expenses because they are afraid of getting it wrong or because of the time it will take. Some also say they get contradictory advice, in that a claim might be accepted one week but not the next.

The third problem was the assumption at the beginning—we must all acknowledge that this is changing—that all MPs had a bottomless private pocket

[Hilary Benn]

out of which they could pay bills before claiming the money back. They do not. Some people are still owed money, others have been overdrawn, and we should recognise that the situation is particularly difficult for new Members, who have additional costs because they are establishing offices for the first time.

Every one of us dislikes intensely the fact that the money is forced to go through our personal bank accounts. It should not, and that is another reason why the system has to change. The point has been made forcefully that we know of no other workplace where one would tell an employee—although we are not employees—to pay the rent or the photocopier bill out of their own resources, and then pay them back. That is why direct payment has to be the way forward.

The fourth problem is that the budgets set do not reflect in all cases the commitments that MPs already have, the work loads in their offices or the higher cost of renting offices in some parts of the country, some cities and some towns. One practical and simple step to help MPs would be to allow virement between the staffing, office rent and office costs budgets, because that would allow Members to make that judgment. The overall budget level needs to be looked at, because adding the 10% pension contribution has created a real problem. The argument was, "We have taken some other expenses out," but I do not know many Members who claim them.

MPs who have been worried that they cannot meet their commitments to staff—the number of hours and so on—have been told that they can approach the contingencies fund. I hope that IPSA will in all cases, therefore, meet those costs out of contingencies, because that problem needs to be addressed.

We heard from my hon. Friend the Member for Leicester West (Liz Kendall) about the difficulties of trying to obtain paternity leave, and I know of problems with maternity leave, too. I echo what my right hon. Friend the Member for Torfaen (Paul Murphy) said about consulting staff and the unions. We should recognise the enormous contribution that our staff make in supporting us and in doing a job on behalf of our constituents.

Fifthly, we have heard about the impact on family life. The fundamental truth is that MPs have to live and work in two separate places, and we should not make it difficult for MPs, their partners or their children to do so. On the problem that my hon. Friend the Member for Manchester Central (Tony Lloyd) raised, the current rules are utterly inconsistent, because they only partly acknowledge family life, paying for some things but not others.

Sixthly, there are the problems that arise because of the definition of London. We have already heard some of those cases, including the commuting distance at unsocial hours because of the unpredictability of House business. That needs looking at.

There is also the problem of what is known as extended travel, including by Opposition Front Benchers, which is an issue for us now, given the outcome of the election. The Opposition get Short money to help meet the costs of research and support, as the current majority governing party got over the previous 13 years. In addition, the Fees Office used to pay extended travel for Opposition Front Benchers and others, but when IPSA arrived it said, "No, we're not going to pay that any more." That prevents Opposition Front Benchers from doing their job, travelling the country to talk to people, listen and bring that experience and voice back to the House.

Another point, which affects all hon. Members, is that if we look at the IPSA rules on extended travel, we get the impression that it sees us only as constituency MPs. That is incredibly important, because we are also parliamentarians, and, if a matter in which we have an interest comes before the House, the ability to travel to gain knowledge and understanding—to listen, which is what we need to do as Members—is important. It is important that IPSA changes that interpretation. I have written to the chief executive to make that point.

I shall make three other points in conclusion. First, one difficulty we are grappling with is that each MP is different, a point that has been forcefully made. The way in which we work is different, and a system that does not reflect that is a system that is not working. Secondly, all that has an impact on people who have become MPs or might be thinking of doing so, a point that the hon. Member for Broxbourne (Mr Walker) made more eloquently than I can.

A battle was fought—the Osborne judgment has been referred to—and winning that £400 a year payment was a big step forward, so we should not go backwards now. We should remember that 19 years earlier Keir Hardie arrived in the House. As hon. Members will know, when he was spied and people looked at his clothes, they said, "Are you working on the roof?", and he replied, "No, I'm working on the Floor." We must not go back to the time when how much money we had determined whether we could undertake this job.

Thirdly, to be perfectly honest, I wish that we did not have to spend time debating what should be straightforward in any job, which is having the means to do the job. The fact that we are tells us that there is a problem that needs to be sorted out. That is why the review that IPSA is undertaking is an opportunity, just as this debate has been an opportunity for hon. Members to send a clear message.

I end by welcoming the fact that the chief executive, Andrew McDonald, has shown a willingness to engage in discussion about how things can change. I am confident that we can get change, but it needs to be the right change and it needs to happen soon.

5.20 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): Before I start, I want to thank you, Mr Deputy Speaker, for your kind words about our 2018 bid team, who were dubbed "the three lions" by *The Sun*. I know that when the Prime Minister returns from Zurich, he will play close attention to this debate. He spoke about this matter earlier and will listen carefully to what Members have said.

I congratulate my hon. Friend the Member for Windsor (Adam Afriyie), not just on securing the debate, but on the thoughtful tone in which he opened it. That has been reflected by all hon. Members who have spoken. This matter is not about us, but about our ability to do

our job—serving our constituents and doing our parliamentary work, as the shadow Leader of the House said.

I want to touch on the story that was in *The Times* earlier this week, because it has been referred to by a number of right hon. and hon. Members in this debate and it was raised at business questions earlier today. I understand that the story was the result of a freedom of information request, rather than a leak. I do not usually find myself quoting Sir Ian Kennedy, the chairman of IPSA, but it is worth putting on the record his response to the unfair way in which *The Times* ran that story—he has not always been particularly kind about Members of Parliament. He said:

"We assess that MPs have been thoughtful and proper in making their claims. Where we have queried a claim, it has been the result of misunderstanding as people adapt to the new scheme."

He made it clear that, unlike the way in which they were reported, the claims were not improper and were examples not of MPs trying to do things that they should not have been doing, but of MPs behaving properly and adapting to the new system.

Bob Russell: Unfortunately, that message has not got into the newspapers. The right hon. Member for Cynon Valley (Ann Clwyd) made a serious allegation earlier and the *Daily Mail* today referred to an IPSA leak. Has the Minister received a statement from IPSA responding to the serious allegation that its director of communications is touting around trying to plant stories that are detrimental to Members of Parliament?

Mr Harper: The hon. Gentleman is quite right that the message has not got out that MPs have behaved completely properly. That is why I thought it helpful to announce it on the Floor of the House, not that that will get it into the newspapers, as we know. However, I thought it worth putting it on the record that IPSA has acknowledged that MPs have behaved properly.

It is not my job to speak for IPSA, but as the hon. Gentleman has asked me about this point, and as it was raised by the right hon. Member for Cynon Valley (Ann Clwyd) earlier, it may encourage hon. Members to know that IPSA has been following the progress of this debate very closely. It heard the right hon. Lady's comments and has categorically denied them. It has confirmed that the information in *The Times* was obtained through an FOI request, not from a leak.

Ann Clwyd: I, too, have seen what IPSA has said in response, but it did not respond to the point that I made. I said:

"This morning, a colleague told me that they had been talking to a member of the press who had been offered information by somebody at IPSA on certain 'juicy' bits that had not yet emerged in the press about what certain Members had claimed for."

I invited the person whom I named to answer that point. That person has not answered and I suggest that the statement put out by Sir Ian Kennedy does not answer the allegation that I made.

Mr Harper: I have heard that clearly, but as the right hon. Lady knows, IPSA is independent. It will have heard what she has said, and I am sure that it will respond in due course.

Helen Jones (Warrington North) (Lab): Does the hon. Gentleman think that it would help if IPSA answered parliamentary questions properly? For instance, I asked for a list of meetings that its staff had held with the press and of who was present on each occasion. The IPSA chief executive categorically refuses to answer that question. Would it not increase Members' confidence in the system if IPSA were as transparent on such issues as it asks us to be when we are dealing with expenses?

Mr Harper: The hon. Lady makes a good point. When I am perusing the lists of tabled questions, I frequently see her pertinent questions to IPSA, and I sometimes enjoy seeing the answers. She is right: if transparency is good for us, it is good for IPSA. It can be extremely helpful.

This is a good point at which to refer to the hon. Member for Colchester (Bob Russell), who reminded the House that although IPSA is not accountable to the Government, it is accountable through the Speaker's Committee for the Independent Parliamentary Standards Authority, of which the hon. Gentleman is a member. Members look to that Committee to be vigorous in ensuring that IPSA conducts its affairs in an efficient and cost-effective manner.

Mr Winnick: Why has it taken so long for me to get a parliamentary reply about IPSA's senior management team—who is involved, their salaries and so on? I have not yet received a reply, but surely such information should have been routine and I should have received it in a matter of two or three days.

Mr Harper: I can answer only for how Ministers and I deal with parliamentary questions. I endeavour to answer mine promptly and within the time limits, and I would have thought that others should do so too. However, thankfully, the Government are not responsible for IPSA's ability to answer questions.

Mr Charles Walker *rose—*

Mr Harper: Perhaps my hon. Friend the Member for Broxbourne (Mr Walker), who has a key role in the process, can help the House.

Mr Walker: The hon. Member for Walsall North (Mr Winnick) is right to be annoyed at having to wait so long for the answer. I signed it off yesterday as the SCIPSA member. The hon. Gentleman should get it next week.

Mr Harper: I am grateful for that intervention. I shall now try to make some progress, as I want to leave sufficient time for other hon. Members who wish to get in.

I said that the Prime Minister would be listening closely to this debate. In July, during Prime Minister's questions, he said that:

"what is necessary is a properly transparent system, a system with proper rules and limits which the public would have confidence in, but what we do not need is an overly bureaucratic and very costly system. I think all those in the Independent Parliamentary Standards Authority need to get a grip of what they are doing, and get a grip of it very fast." [*Official Report*, 14 July 2010; Vol. 513, c. 946.]

[Mr Harper]

That is what all Members have said today. They want IPSA's system to be transparent, straightforward, not bureaucratic and not costly. IPSA should get on with that.

Mr Jenkin: Does the Minister agree that, as with the House of Commons, IPSA is unlikely to survive a freedom of information request for evidence of payment to be produced? How can it justify withholding evidence of payment—all the invoices—on grounds of cost? That is part of the cost of the system, and it is going to have to bear it.

Mr Harper: That may well be the case, and I think that IPSA has admitted in public that if people apply for receipts through freedom of information requests, it may well have to do that. We will have to see how it gets on. That is the decision that it has made, which the shadow Leader of the House said is a balance between transparency and cost. It may find that the rules of freedom of information affect it as they affected the House.

The hon. Member for Bassetlaw (John Mann) was right to point out, as did other Members, what happened in the past and the fact that the House made the decision to have an independent system. That is important, as well as the transparency issue. I listened very carefully, but I do not think that anyone during the debate was urging that we go back on that; in fact, Members made good points about ensuring that we retain both transparency and independence.

Hon. Members gave examples of how they thought the system should move and a number spoke in favour of a flat-rate payment, including my hon. Friend the Member for Windsor. However, a number of Members, including the right hon. Member for Torfaen (Paul Murphy), the hon. Member for Manchester Central (Tony Lloyd) and my hon. Friend the Member for North Thanet (Mr Gale), pointed out that a flat-rate system, which does not take into account the variance in costs across the country, may not be a perfect one and that there needs to be some flexibility. They all suggested ways in which that flexibility may be achieved.

We have heard from several Members about their various experiences. IPSA itself has recognised that in the first few months of running the system it made mistakes; it has been very transparent about that. We know that it made mistakes and that it needs to improve the system. The hon. Member for Bassetlaw and the shadow Leader of the House referred to improvements that have been made in the system. IPSA now makes some direct payments to landlords for constituency office rental, it now pays against invoices, and the travelcard can now be used to pay other bills. Most importantly, it implemented advances to Members to deal with the genuine problem that very many Members do not have significant amounts of money and are not in a position to meet these costs out of their own pocket and then claim money back—costs which, as many Members have said, one would not expect any other person in business, in a position such as ours, to have to pay out of their own pocket, and would reasonably be thought of as proper business expenses.

Having said that, what I have heard does not suggest that the legislation necessarily needs to be reviewed. Under the legislation introduced by this House, the expenses system and the way that it operates is a matter for IPSA. No change in legislation is required to be able to deal with the issues that have been raised in the House. Indeed, in the letter that IPSA recently circulated to Members, it said that it will conduct its annual review of the scheme in the new year and will look at the problems that have been experienced by MPs. It specifically refers to the impact of the scheme on family life, which was raised by Members on both sides of the House, and the impact on Members living in the outer reaches of the London area—indeed, in places that most people in this House probably would not consider were in the London area. IPSA has also said that it will balance its requirements for assurance against the administrative burdens on itself and on Members. That is welcome and shows that it is listening.

Under the Parliamentary Standards Act 2009, IPSA is required to consult the Leader of the House as one of its statutory consultees, and the Government are considering how we can use that opportunity to submit evidence to IPSA. As Members will know, my right hon. Friend the Leader of the House is very familiar with the issues raised with him by many MPs, either privately or on the Floor of the House at business questions.

The Government strongly support the principles of independence and transparency for IPSA, as does the shadow Leader of the House. The review that IPSA is about to undertake is its opportunity to deliver a system that remains transparent, which is probably the best way of determining that Members behave properly, but is also more efficient and less bureaucratic. I am sure that I speak for Members on both sides of the House in urging IPSA to take that opportunity and deliver a system that improves on what we have today.

5.33 pm

Clive Efford (Eltham) (Lab): I should like to associate myself with all the compliments that have been passed to the hon. Member for Windsor (Adam Afriyie), who has done us all a great service in initiating this debate.

I thought, tantalisingly, Mr Deputy Speaker, that you were going to call me after the hon. Member for Worthing West (Peter Bottomley). Since I was first selected to stand against him in 1989, we have seldom seen eye to eye on anything, but today I agreed with every word he said. The fact that IPSA has managed to bridge that chasm should be a serious warning to it indeed.

One of the ironies of the debate is that what initiated this process was a desire to deal with MPs who were in some way feathering their nests at public expense, but what we finished up with is the taxpayer paying out more money to solve the problem of people saying, "Woe betide these profligate and self-serving MPs." We even had the involvement of Sir Thomas Legg, who barely washed his face in the amount of money that he brought back compared with what his investigation cost the House.

What we really want from today's debate, as everyone has stressed, is for IPSA to listen. When my hon. Friend the Member for Manchester Central (Tony Lloyd), the Chair of the parliamentary Labour party, and I met Sir Ian Kennedy, we felt that everything we put to him was

not sticking, and that he was not listening to anything we said about what is necessary for MPs and how MPs conduct their business. He just dismissed everything—he felt that he had all the answers and that he knew what MPs were about. I wonder whether some of the more Eurosceptic Members recognise that the system is akin to the EU. I am neither Eurosceptic nor Europhile, but there is a complete lack of public accountability and civil servants have been let rip, and we have ended up with a huge edifice. Every solution requires more expenditure and yet another department—someone mentioned that there is a new department for dealing with the media and press. Each problem that IPSA comes across seems to mean that it needs to spend more money, so we have now ended up with a very expensive edifice.

My hon. Friend the Member for Bassetlaw (John Mann) was absolutely right to warn us about losing the principle of the independence of IPSA and said that we would do so at our peril. We would be wrong to dismiss that as an attempt by him to create headlines and to be obstructive. We have suffered in the past from fiddling and interference from the Government and Opposition Front Benches—over the years, that created the mess that we got into. We should remember that, under the previous system, somebody felt it appropriate to apply for payment for a duck house. The fact that that claim was not paid is often overlooked, but that someone felt it appropriate to apply in the first place shows how far gone and how wrong that system was.

Mr Gale: I know of no Member of the House who wants to overturn IPSA's independence, in which respect the hon. Member for Bassetlaw (John Mann) was quite wrong. Our problem is that the people conducting the review of IPSA are the people who were responsible for creating the problem in the first place. Would it not be a good idea to have an independent review?

Clive Efford: I would not dismiss that suggestion. I agree with the hon. Gentleman, and disagree with my hon. Friend the Member for Bassetlaw, because no one is suggesting that we lose that principle, but my hon. Friend was none the less right to warn us.

IPSA must set the framework within which MPs operate, but it must be sympathetic to what MPs confront in their daily business, which it has not been, even in respect of its computer system. IPSA told us that we must pay for surgery rents under the office rent heading, but there is no heading for surgery rents, so everything comes out of office rents. I suspect that my constituents who examine the system will wonder just how many offices I have. IPSA did not listen to MPs when it set up that system, but it must listen to this debate and the reasonable arguments that MPs have made, and change fundamentally.

I am a London MP and my staff are all based in my constituency. I have had the same staff since I was first elected. The inflationary increase in the staffing allowance was not a living increase, so if I had followed that, those staff would effectively have taken a real-terms pay cut. Instead, I vired money from my incidental expenses account into my staffing account to pay them a bonus at the end of the year, which meant that they got a decent salary increase. There is no viring any more, no spinal column, no incremental increase, and no recognition of the length of service of our staff. I really hope that IPSA takes that on board and rewards our staff.

My right hon. Friend the Member for Leeds Central (Hilary Benn), the shadow Leader of the House, talked about direct payments and we must move to such a system. I know of Members of Parliament who have not spoken in the debate—we should remember that some Members do not wish to pour their hearts out in the Chamber and have the media raking over their personal affairs—who have had to sell their assets to pay their office rent and other costs, and to set up a basic bursary so that they have an account from which they can pay out money before claiming it back. Some Members of Parliament to whom I have spoken have been in tears because of the financial situation in which IPSA has put them. They are not here to speak in this debate, but that fact should not be lost on IPSA.

If IPSA has not been listening to the debate, I hope that it will read it and take on board all the points that hon. Members have made. IPSA should change the system so that Members can serve the public in the way in which we hoped we would when we were elected.

5.40 pm

Mr Edward Leigh (Gainsborough) (Con): As one of the last Back Benchers to speak, I hope that I can say that we have had a good debate. Everyone has said their piece and made a valuable contribution, including the hon. Member for Bassetlaw (John Mann), who is fast becoming a national treasure. If he was not there, he would have to be invented, because his arguments have to be listened to.

The fact is—there is no doubt about it—that we cocked up the system. The thing collapsed, and we have a system that we all know is not working, and that is hugely complex and massively bureaucratic. Above all, it is costing the taxpayer more money—namely £10,000 to administer it before any money is handed out. We are only a small body—a medium-sized company of 600 people—and if this was the private sector, there would be a little accounts department run by half a dozen people. We do not need this vast bureaucracy, so in the few minutes I have to speak, I shall offer a simple solution.

I make no criticism of the staff. As I am pretty hopeless with computers, a very nice young man from IPSA sat next to me last week for two and a half hours while, with two fingers, I tried to claim for about five journeys. My criticism is not of the young people who work in IPSA, but of our Front Benchers, and particularly the three party leaders who got into a bidding war last year and landed us with this mess. By the way, thank God they are backing out of this and leaving it to Back Benchers, because this is a Back-Bench affair—it is nothing to do with Front Benchers. My criticism is also of Sir Ian Kennedy who, with his board, seems to have no conception of how Parliament is run.

My first guiding principle is that the electors want complete transparency, yet we have created a system that is so complex and bureaucratic that it is too expensive to publish receipts that were sought in the first place. It is Kafkaesque. My second guiding principle is that the system should cost the taxpayer less, but this is costing the taxpayer more, so no one is happy—what are we gaining?

[Mr Edward Leigh]

There is something of the biter bit here, because for years we have created ever-more complex social security systems to try to regulate people's behaviour. That resulted in massive fraud and error in the Department for Work and Pensions, and now it has come here. Perhaps it is time for us to try to create simpler systems throughout the civil service. That is why I have always argued for a simple system of no-fraud, no-error child benefit—a flat-rate benefit.

We should have a simple, flat-rate allowance like the old London costs allowance, because every single Member of Parliament has to live in London. I say to the hon. Member for Bassetlaw and others that it is not for us to determine what that should be—it would be for an independent body. I would be out of pocket under such a system because, unlike my hon. Friend the Member for Cities of London and Westminster (Mr Field), I need a home in my north Lincolnshire constituency, which is three and a half hours away, as well as a home here, but we all know that the secret of happiness is not to compare oneself to others. Let us have the same allowance for every Member of Parliament.

Duncan Hames: Will the hon. Gentleman give way?

Mr Leigh: I cannot give way because I have been told that I have only three or four minutes.

Such a flat-rate allowance should be taxable so that the Inland Revenue is not involved. There would be no fraud, no possibility of error and no receipts. Every Member of Parliament would get the same.

What we have at the moment is fundamentally anti-family. When my predecessor came to the House, he virtually had to buy his seat, and when he left Newark station, the station master would say to him, "When will your next annual visit be, sir?" Over the past 30 or 40 years, we have created a system in which ordinary people with no private means—people such as me, who have been full-time Members of Parliament for all that time—have been able to devote themselves to public affairs. I am sorry to get personal, but for 27 years I have carted my family up and down the A1 for three and a half and hours in either direction. I have created a small family home in Lincolnshire, and a family home in London. Surely we should allow people to preserve that sort of lifestyle.

We are all different—some people have big families, others have small families; some have old families, some have young families—but we need a system of allowances, which I think should be set at a flat rate, and pay that allows ordinary people with no private resources to come to the House and to serve the public. That is all we want to do; nobody comes here to make money or to get rich. We just want to serve the public. We love Parliament, but surely we have to be allowed to do our job and stay with our families. This place should not become the preserve of the rich, as it used to be 30 or 40 years ago. So, away with all this complexity! Away with all this bureaucracy! Just give MPs a decent salary. Every member of the public I speak to says the same. They are sick and tired of this debate; let us end it now.

5.46 pm

Duncan Hames (Chippenham) (LD): I should like to join colleagues in commending the hon. Member for Windsor (Adam Afriyie) for securing this debate and for the tone in which he set it, which has, surprisingly perhaps, reflected well on the House. As a new Member, I have persevered in seeking to catch your eye this afternoon, Mr Deputy Speaker, because although I agree with many of the critiques of the current situation, I do not agree with many of the suggested solutions, including that suggested by the hon. Member for Gainsborough (Mr Leigh).

As a new Member, my experience of this place is that there are many hard-working, dedicated colleagues on both sides of the House, and, having observed their work ethic, I am in no doubt that they perceive their role to be that of a public servant. However, when it comes to our terms and conditions, our mode of operation and even our autonomy in deciding how we provide that service to the public, I have been surprised by the number of colleagues who seem to adopt the mindset of someone who is running their own business. In fact, we have heard contradictory accounts today about who employs whom in this place.

I have run a small business, but as a newly elected Member I could really have done without the freedom and responsibility of choosing my own constituency premises, negotiating the lease and sourcing the necessary equipment for my staff to use. None of that is what I came here to do. I suspect that some Members here might not even feel qualified to do it. We have all this administrative freedom to set things up exactly as we wish, but with that freedom comes administrative responsibility, as well as the unusual transaction requirements whereby MPs pay for everything first and claim the money back in what we have come to refer to as expenses.

I would argue that Members need to realise that, in cherishing that administrative autonomy, they make a rod for their own backs, by turning what for most people are the fundamentals of their workplace accommodation into what for us are treated as expenses. I would rather that we let go of all that and allowed independent, or indeed parliamentary, authorities to provide, manage and pay for our constituency offices—

Bob Russell: Oh, no!

Duncan Hames: I accept that that view is not shared by other Members, but I have waited patiently to share my view, which I hope Members will at least respect.

In the information published today, there are no expenses reported in my name. That is not because I have shouldered all those costs myself, though my team and I have taken care to limit the costs met by the taxpayer. It is because I have put off using the expenses system as long as I could, as I understood that other colleagues were experiencing what might be called teething troubles. My staff tell me that in those early days it was difficult to get either timely or consistent advice from IPSA personnel, but that the administration of the arrangements is now better than it was. I am sure that as the public start to use the information that IPSA publishes, the need for improved transparency will be apparent.

I agree with the hon. Member for Eltham (Clive Efford), who argued that it would be helpful if we had some clear headings such as "constituency surgeries", rather than the current description of "hire of premises". I would echo the comments of the hon. Member for Windsor in his conclusion—IPSA is mistaken in deciding not to publish receipts.

A similar argument applies to arrangements for MPs' staff. Many are modestly paid, hard-working and share all the job insecurity that we, as elected representatives, have come to accept. The budget for their employment, as was explained earlier, has effectively been cut by 10% since May and unlike other public servants they have no recourse to a professional human resources department and are instead at the mercy of the people management skills of individual legislators. Now that IPSA has deemed it appropriate to set their job descriptions and pay scales, I believe that it should also accept the support responsibilities arising from its emerging de facto relationship as their employer. MPs' staff deserve to be treated as people and as workers and not reduced to an expense.

I recognise the need for the arrangements to be governed independently of MPs, as Members on both sides of the argument have accepted. I look to IPSA to continue to develop a fairer and more cost-effective system. We seem to be agreed about the shortcomings of the situation, but I do not believe that the answer is allowances that offer greater freedom for Members of Parliament or for Members of Parliament to threaten to bring them about.

As I believe I have set out, there is an alternative way forward whereby Members should have more time to spend on their constituents, which is what the hon. Member for Windsor asked for. Basic office accommodation, equipment and HR administration should be provided directly and Members of Parliament should let go and get out of the way.

5.51 pm

Mr Mark Field (Cities of London and Westminster) (Con): No one could accuse my hon. Friend the Member for Windsor (Adam Afriyie) of lacking bravery in introducing this debate. I suspect that not many votes can be found in bringing up IPSA once again, so it is to his credit.

We all faced difficulties through IPSA's teething problems—even me, as a central London MP. I have no need for a second home, but obviously I have had an office to run, like all other Members. My big concern is that all parties promised the British public a new politics in May's general election, which was supposed to draw a line under the calamitous expenses scandal. I am increasingly alarmed that after everything there is a sense among the public that the political class still do not get it. We will have some high-profile High Court cases and I am sure that we will see a number of parliamentarians imprisoned in the course of the next six months. The whole issue will not go away quickly.

I did not agree with much of what the hon. Member for Chippenham (Duncan Hames) had to say, but my biggest concern is for many of the new intake and I am glad that he took the opportunity to give us his views today. I know that many of the new MPs to whom I have spoken are suffering the most and are suffering genuine hardship. I feel that, in a way, they are paying for the sins of a past generation under the old system, which was so disastrous.

I have to say—I know that I will be the only person saying this—that I agreed with quite a lot of what the hon. Member for Bassetlaw (John Mann) had to say. We have crossed swords on this over the years. He is right that the Executive and their insistence on taking control of these issues has led us down a path to disaster.

I am sorry to say to my hon. Friend the Member for Gainsborough (Mr Leigh) that this is not just about the most recent party leaders—it goes back some 30 years. The use of allowances as a substitute for salary increases, in particular, had been independently recommended and was used by successive Governments going back to the mid-1980s.

After the Derek Conway case of January 2008, we had a promise that there would be root-and-branch reform, but there was nothing of the sort. We collectively had the opportunity at that time to make the changes and we all felt that we could continue to pull the wool over the public's eyes and went through the calamitous collection of High Court cases in which the Speaker's Commission—including some senior parliamentarians in this place and in the House of Lords—took the view that we should fight that fight. It turned out to be an absolute calamity. At that juncture, the freedom of information case concerned only 12 Members and former Members, but once it had gone to the courts the whole situation was opened up. It turned out to be an absolute calamity, and we have ourselves to blame.

My biggest concern is, again, for the new generation of MPs. Because of a genuine sense of hardship and a sense of frustration about the whole process, I would not be surprised if quite a few did not stand at the next election. We will have a lot of one-term MPs, and voluntarily so, which is a terrible indictment of the fact that we have not got the system sorted out correctly. It has been a catalogue of disasters.

I have some sympathy with what my hon. Friend the Member for Gainsborough said. In the House of Lords, a daily allowance is paid across the board, without any need for receipts or for an IPSA-type bureaucracy. I know that that is not an ideal scenario, but it seems to me that if their lordships have gone down that route and it seems to be working pretty well, we should not necessarily exclude it ourselves.

I wish to say one last thing about IPSA's workings. It has promised that there will be a review of the broad issue of salaries early next year, in conjunction with the Senior Salaries Review Body. I know that the Minister spoke earlier, but I wish to say—I hope he is listening—that I hope he will now be able to provide assurances to all Members that we will not go down the route of the Executive taking control of these matters yet again, and therefore having ever more incentives, albeit that it would be much more difficult to have incentives as salary substitutes.

I hope that when IPSA comes up with its report, as it is bound to do by the end of next year, that report will not sit gathering dust either in the Speaker's Office or at No. 10 Downing street, but that the Government will act on it immediately to ensure that it is properly published and that the recommendations are implemented without amendment.

[Mr Mark Field]

We have had a very interesting debate, and I know that my hon. Friend the Member for Windsor would like to say a few final words in summing up, but I finish by saying that I hope we will be able to make some genuine progress on IPSA and on the whole issue of salaries, so that we can put this squalid episode into the past.

5.57 pm

Adam Afriyie: With only a couple of minutes left, I should just like to say a few quick things. First, the debate has been held in a measured and considered tone. All the contributions, perhaps bar one, have been very well considered and put forward in the interests not of the current Parliament and current Members but in the interests of the future of Parliament. We want to ensure that this place will be diverse and welcoming to people with young families, and to those who are not as affluent as others and cannot afford to fund their own way here.

It seems to me that if the motion is passed—there are questions about that—Parliament will have made a very clear statement. It will have said, "Please, IPSA, we beg you, we urge you: come up with a simplified scheme that delivers what Parliament requires to function for the next 10, 20 or 30 years." It will also have said, "If you do not come up with such a scheme, Parliament will be prepared to act." In order to act, Parliament will need to be sure that there is time available for legislation. Members are aware of my Parliamentary Standards (Amendment) Bill, and I shall make a big, bold, open offer to Front Benchers that if they wish to use it as a vehicle to open up the process they are very welcome to do so either tomorrow or later. I hope that they take up the offer.

The solution to the challenges that we face with IPSA, and to the impediments to getting to the House, lies with Front Benchers. I hope that they will take the opportunity to allow the motion to be passed, so that Parliament has spoken. I beg to move, That the Question be now put.

Question put forthwith (*Standing Order No. 36*), That the Question be now put.

Question agreed to.

That this House regrets the unnecessarily high costs and inadequacies of the systems introduced by the Independent Parliamentary Standards Authority (IPSA); calls on the IPSA to introduce a simpler scheme of office expenses and Members' allowances that cuts significantly the administrative costs, reduces the amount of time needed for administration by Members and their staff, does not disadvantage less well-off Members and those with family responsibilities, nor deter Members from seeking reimbursement of the costs of fulfilling their parliamentary duties; and resolves that if these objectives are not reflected in a new scheme set out by the IPSA in time for operation by 1 April 2011, the Leader of the House should make time available for the amendment of the Parliamentary Standards Act 2009 to do so.

Business without Debate

COMMITTEE OF PUBLIC ACCOUNTS (AMENDMENT OF STANDING ORDERS) (NO. 1)

Ordered,

That Standing Order No. 148 (Committee of Public Accounts) be amended in paragraph (1), as follows:

in line 7, after 'records', insert ', to sit notwithstanding any adjournment of the House'.—*(Mr Bacon.)*

COMMITTEE OF PUBLIC ACCOUNTS (AMENDMENT OF STANDING ORDERS (NO. 2)

Ordered,

That Standing Order No. 148 (Committee of Public Accounts) be amended in paragraph (1), as follows:

in line 8, after 'time to time,', insert 'to appoint specialist advisers either to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference,'.—*(Mr Bacon.)*

UK Passport Contract

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Goodwill.)*

6 pm

Mr Michael Meacher (Oldham West and Royton) (Lab): For the past 40 years, the British passport has been produced in my constituency, first by Her Majesty's Stationery Office, then, when it was sold by the Government to venture capitalists, by Security Printing and Systems Ltd and, more recently, by 3M, which acquired the latter company in 2006. 3M has, to date, invested more than £20 million in the facility. I should add that the British passport is an intensely technical document, which has more than 120 overt and covert security features, ranging from reflective inks and holograms to features that only a trained eye or forensic examination can detect.

Having 40 years' experience in producing this highly technical product to consistently high standards is no mean feat, and it was therefore gratifying for the staff at the production facility to learn that the Identity and Passport Service was rated as the top-performing public sector organisation by its customers. The survey carried out by the Institute of Customer Service was based on responses from 26,000 members of the public, who rated the IPS above names such as Royal Mail, the Driver and Vehicle Licensing Agency and the Post Office. The chief executive of the IPS, Sarah Rapson, said on 13 April:

"This is a great confidence boost and confirms yet again that we have strong foundations in place to deliver the exemplary service we provide to our customers."

How strange then that the Home Office is willing to dispense with that 40-year track record and put at risk the strong foundations to which Sarah Rapson was referring by taking the contract away from the incumbent and placing it with a company, De La Rue, whose track record in producing passports is limited and whose experience in producing passports to the volumes required by the UK is non-existent.

The appetite of Britons for overseas travel is as strong as ever and more than 6 million British passports are produced a year, the vast majority of which are renewals. The current set-up and production capacity at the facility means that, on average, passports are delivered to customers in a matter of days after the submission of their completed application. The quality is consistent, and quality assurance procedures are rigorous and regularly audited. I can say without risk of rebuttal that De La Rue, to which the British passport has been entrusted, has no great track record in the production of this quantity of passports.

It is well documented—I do not wish to dwell on this but it has to be said—that De La Rue has not exactly been short of problems this year. Its chief executive resigned in June following production issues at its banknote paper plant, which involved its employees falsifying documents—the Serious Fraud Office is currently investigating that little matter. Another SFO inquiry took place in 2007, during which the homes of employees were raided, and the company has also faced accusations of fraud in Kenya and price fixing in the US in the past 10 years. One has to ask whether this is really a company to which we should entrust the production of the British passport.

Let me turn to the awarding of the contract with De La Rue in June 2009 and the circumstances surrounding it. As has regrettably become the case in large Government procurements, this process is tortuously complicated and prolonged. Consequently, it is extremely expensive for the participants and for the person paying the bill, which in this case is the taxpayer.

There were a number of unsatisfactory elements to the procurement that in my view seriously call into question the integrity of the entire process. The first, which was well documented in the media at the time, was the role of Gill Rider, a non-executive director of De La Rue who was also an official in the Cabinet Office responsible for the recruitment of senior civil servants. One of the civil servants whom Gill Rider had a hand in recruiting was James Hall, who at the time of the procurement in question was the chief executive of the Identity and Passport Service. Another was Bill Crothers, who was the chief operating officer of the Identity and Passport Service at the time of the procurement. James Hall and Gill Rider had been colleagues together at Accenture for many years before joining the civil service, while Bill Crothers was also a recruit into the civil service from Accenture.

I accept that Gill Rider stood down when the matter was raised in the Home Office, but not before, and that was two thirds of the way through the two-year procurement process. Furthermore, she remained a shareholder of the company throughout. In addition, representations were made to me immediately after the announcement of the tender result in June 2009 by 3M, which said that it had found some of the processes used in certain phases of the procurement to have lacked fairness. It is only fair to add at this point that 3M was somewhat reluctant for me to secure this debate, because of its fear that raising such matters could compromise its relationship with the Home Office, a customer with which it has always had a tremendously strong relationship. I want to make it clear to the Minister that the reason I have done so is that the Government are unaccountably playing down or disregarding an enormous financial gain to the Exchequer—more than £100 million—at a time when they are also saying that colossal spending cuts have to be made, which seems perverse to say the least. Also, a large number of jobs will be lost to the UK—probably more than 100—at a time when the Government are desperate to stop unemployment rising, which again seems perverse.

Another disquieting aspect to the procurement process was the fact that former De La Rue employees sat as part of the technical selection panel on the bid. That surely cannot be right. Those people—presumably they were holders of deferred De La Rue pensions—should surely have been excluded on the grounds of a conflict of interest. In addition, on each occasion during the competitive dialogue phase, when each company had to express and present its ideas, 3M was asked to present before De La Rue. I do not want to make too much of that, but there was no drawing of lots or any other randomising procedure to balance out the advantage at a particularly sensitive stage of the process. I would add that, frankly, I am dissatisfied that the senior officials advising the Minister on our representations to him about a retender were precisely the same as those who were involved in the original reallocation of the contract. To me, that does not exactly suggest a genuinely independent

[Mr Michael Meacher]

re-evaluation of the issues. I mention these matters not to rake over the coals, but to explain and justify my strong belief that the original procurement was seriously flawed and that the new, non-exclusive passport contract should be retendered.

On 14 July, George Buckley, the chief executive officer of 3M wrote to the Home Secretary to make the case for retendering the contract. That offer was made—I think one can readily admit this—in response to the difficult economic circumstances that the country faces and to the call by the Government for proposals to save money. The offer was to reduce the cost of the new contract by £100 million over the life of that contract. That included savings from the change in Government policy on having secondary biometrics within the passport. In the current circumstances, £100 million is not a sum to be sniffed at. It is not far short of 1% of the entire reduction in spending cuts that the Government hope to make in this fiscal year; a reduction of that magnitude cannot be dismissed or disregarded.

On 4 August, a perfunctory letter—I say that with feeling because I have seen the letter from John Collington, a Home Office official and yet another Accenture employee—failed to acknowledge the new, reduced contract offer. That was not only negligent but dismissive, publicly indefensible and even contemptuous. On 15 September, accompanied by some members of 3M's management, I met the Minister—I am grateful to him for that—to discuss a new cost model for the new UK passport contract. At that meeting, the same offer was made again in detail and was subsequently confirmed in a letter on 17 September from 3M's UK managing director Jim McSheffrey.

The commitment was to reduce the cost of the passport contract by £100 million—from £400 million, where it is today, to £300 million for the 10-year-period. That was achievable due to the change in specifications, with secondary biometrics no longer being required on the UK passport, and by allowing costs to be spread over a number of future international contracts. I am fully aware that the Minister is sceptical that a saving as high as £100 million can be achieved, but my answer is that, although I cannot go into details now, for reasons of commercial confidentiality, the detailed breakdown of that £100 million is provided in specifics and in full in the letter of 17 September, which, of course, the Home Office has.

On 28 September a reply to 3M's offer letter was written by the Minister's Department and sent under his signature. I note that I was not copied into the reply, despite having instigated the meeting, but I shall not make much of that. The reply says that there is no "convincing argument to change current arrangements". There is an ample case to be made for retendering the contract. The risks—given that there is an incumbent supplier still in place that is able to produce at volume—are minimal. Also, 3M produces all UK passports in the UK, thus maximising UK jobs and minimising the security risks of transporting blank passports from abroad, whereas De La Rue proposes to produce a proportion of the passports in its production facility in Malta.

If the contract goes ahead without retender, more than 100 jobs will be removed from the current operation. I understand that only a tiny fraction of those employees will find employment under the new contract. In addition to the £100 million that will be lost to the Exchequer if there is no retender, there will be a further cost to the Exchequer of more than £5 million in severance payments.

As the Minister will be aware, the current contract with De La Rue is on a non-exclusive basis, which means that it can be terminated at any time. A retender could be completed at minimal cost—and rapidly—to gain the benefits to the UK taxpayer of a lower cost contract. It is also the case, as the Minister will again be aware, that there is a requirement to benchmark the contract against other potential suppliers to ensure that the UK Government are receiving, and continue rightly to receive, value for money. That means that the Identity and Passport Service is required to check periodically throughout the life of the contract that it is receiving value for money.

In that context, on 5 October, De La Rue was due to start producing passports in volume. However, although it did produce its first passport on the day due, there has been a need for 3M to continue to produce the UK passport at normal rates owing to a significant slippage in the agreed programme on the part of De La Rue, despite the project delivery dates being a key part of the evaluation. As of today, most of the 3M employees on the contract remain, because the facility is still running at normal volumes, but within a few weeks, presses at 3M will get turned off for the last time. I do not think we can avoid the conclusion that the new contract has been unable to produce passports at the volumes required.

The Government have entrusted, under circumstances that I find deeply dubious, a critical piece of the national infrastructure—the production of the nation's passports—to a company seemingly incapable of doing the job. I do not want to have to take this matter further with the Select Committees of the House, but the Minister should retender the contract before the Government lose £100 million of savings and the country loses more than 100 jobs.

6.16 pm

The Minister for Immigration (Damian Green): I congratulate the right hon. Member for Oldham West and Royton (Mr Meacher) on securing this debate. Given that he made the point himself, I am sure that he will understand that it would be inappropriate for me to discuss detailed areas of commercial information at the Dispatch Box.

I appreciate that the right hon. Gentleman is rightly concerned about the impact on jobs in his constituency. That is understandable and right—any Member of the House would feel the same. The loss of jobs anywhere is to be much regretted. As he said, the passport has been produced in his constituency for the past 40 years. I congratulate 3M and the predecessor companies on the work they did on the passport, and I am happy to reassure 3M that nothing the right hon. Gentleman has said will alter my or the Home Office's attitude to it in any future Government business for which it tenders. We treat all potential procurement exercises fairly and equally, and we look at the competence of those involved and the price they are charging. The right hon. Gentleman is correct also that the Identity and Passport Service provides an extremely good service.

At that point, however, I parted company from much of what the right hon. Gentleman said. He will be aware that the contract for the printing of the British passport was granted under the previous Labour Administration, and I have no reason to believe that the tender process was anything other than fair and subject to open competition. He prayed in aid of 3M Sarah Rapson, but he will be aware that she became the head of the IPS only in recent months, so all the decisions he is talking about, and everything he is complaining about, happened before she became head of the IPS and said what he quoted her as saying, apparently in aid of his argument. At that time, 3M Security Printing and Systems submitted an unsuccessful bid, and the contract was awarded to De La Rue. It was signed on 2 July 2009, and the service commenced in October 2010.

The right hon. Gentleman made an explicit attack on what he described as the integrity of the process. I want to make clear—as, I am sure, would he—that that did not entail an attack on the integrity of those involved. He took the opportunity to name a number of officials, but I am sure that he was in no way attempting to attack their integrity. That would be wrong, and it would clearly also be wrong to attack the integrity of the Minister involved. The right hon. Gentleman said that the process was wrong. He knows, as a former Minister himself, that Ministers are responsible for the process, so attacking the process would be attacking the Minister as well.

The right hon. Gentleman also said one thing that was simply factually incorrect. He said that all the senior officials involved were still there advising me, as a Minister in the new Government. That is not true. James Hall, who was head of the Identity and Passport Service at the time, has retired, which means that the most important official who was involved when the decision was made is no longer there. I think it important to put that on the record.

Mr Meacher: The point that I was making is that the senior officials who attended on the Minister when we made representations to him were closely involved in the original allocation of the contract. I did not say that all the officials who were originally involved were there now, but those who played a significant part are still there, and I therefore do not think the process is genuinely independent.

The Minister questioned whether I had been right to say that the process had not been fairly undertaken. I will not repeat them now, but I presented three, four or five arguments in my speech which need a precise answer rather than just "I am satisfied with the process".

Damian Green: It is not very surprising that some of the officials who were at the IPS a year or so ago are still there. I can reassure the right hon. Gentleman that no single individual or, indeed, small number of individuals could have decided the outcome of the bid. More than 25 evaluators were involved in the process. I am sorry that, when he intervened on me, the right hon. Gentleman did not take the opportunity to make clear that he was not attacking the integrity of the individuals involved. I had given him every chance to do so.

As the right hon. Gentleman knows, I met him and representatives of 3M on 15 September 2010 to discuss their request for the contract to be retendered on the basis of the decision of the coalition Government to halt the second biometric in the United Kingdom passport. As I said then and will repeat tonight, I do not consider that either the right hon. Gentleman or 3M has presented any new information that would merit the adoption of such an approach. Nor, in particular, would it be appropriate to put at risk the continuity of the passport operation.

The right hon. Gentleman and 3M argue that savings of £100 million are to be had simply because the form of the passport has been changed through the removal of the second biometric. As I have said, I do not find that argument convincing. Moreover, as the right hon. Gentleman knows, the approach to me was made only a few weeks before the new passport operation was due to begin. The main principle that guides me must be the preservation of the safety, security, smooth running and smooth production of the passport service, and the consideration that the right hon. Gentleman is inviting discontinuity must bear heavily on me as the Minister responsible for the passport service.

As the right hon. Gentleman has admitted, the IPS achieves a high level of public satisfaction in the quality and security of the service it delivers. That relies on its ensuring that all parts of its operation work effectively and efficiently, in the best interests of the customer and the wider interests of the UK economy.

The right hon. Gentleman cast doubt on the process. Of course, the IPS followed the EU procurement regulations process, which was initiated on 19 June 2008 by the issue of an Official Journal of the European Union notice. The award of the new passport design and production contract was necessary due to the current passport contract expiring on 4 October 2010. The Identity and Passport Service announced on 11 June 2009 that De La Rue had won the £400 million contract to produce the new British passport book over the next 10 years. That contract commenced on 5 October 2010.

The De La Rue contract represents better value for money and introduces a new design and improved quality for the customer. In addition, the tender process allowed savings on print costs to be made in relation to the current contract. The IPS ensured that all bidders were offered an equal opportunity to compete against the incumbent supplier, 3M SPSL. The objective of the procurement was to complete a fair, transparent, robust, defensible and fully auditable evaluation exercise that ultimately identified the most suitable supplier to deliver passport services. The supplier produces a secure, high-quality passport, and provides production arrangements at a competitive price.

There are about 48 million passport holders in the UK, which represents 80% of the eligible population. The new supplier is expected to produce up to 6 million passports every year. The current length of the contract ensures that there is the right balance between the level of investment required, the need for good relationships to be fostered, and the need for the IPS to remain flexible and responsive to the way in which the market changes over time.

The procurement process over which the right hon. Gentleman has cast doubt was subject to detailed and thorough assurance from Home Office Commercial, the Office of Government Commerce and an external audit, including a National Audit Office review to ensure that an objective assessment was reached. The awarding of the contract was based on which supplier offered the

[Damian Green]

best overall solution and value for money, measured against a clear set of evaluation criteria, of which 3M was fully aware and against which it performed during detailed competitive processes.

Mr Meacher: The Minister is talking entirely about the award of the contract. I accept that I made comment about that, but the thrust of my argument was not going back over the past, but looking to the future, and the fact that 3M is offering a £100 million reduction in the cost, which is more than highly competitive and would avoid the loss of 100 jobs. Will the Minister please concentrate his remarks on why that is not acceptable, even if it requires a retender?

The Minister wants me to make a comment about integrity. I referred to the integrity of the process. I did not refer to individuals, but I do think there are serious issues about the conflict of interest of the various individuals to whom I referred.

Damian Green: I am grateful for the right hon. Gentleman's clarification of what he is getting at when he speaks of integrity. I can only observe gently to him that the background of those who were senior in the IPS over a year ago was well known to him and to everyone else at the time. If he is so disturbed about it now, it might have been more useful to his cause to have pointed that out at the time to a Government of whom he was a supporter.

In a sense, that is irrelevant, because any Minister of any Government would try to make the best decision, but if the right hon. Gentleman is disturbed about the process and about the senior officials involved in it, the time to make that point is before a decision is taken, not a year afterwards. As I say, I have absolutely no evidence to suggest to me that anyone involved—the Minister or any of the officials—in a process which clearly I had nothing to do with, deserve any shadow cast over them. The right hon. Gentleman is making such an implication now. All I can sensibly do is observe that it might have been more helpful to his cause if he had made that observation at the time.

The right hon. Gentleman makes the point that 3M says that it could fulfil the contract now for £100 million less. As I have said repeatedly in private meetings and again this evening, I have seen no convincing evidence that backs that up. Again, 3M was given the opportunity to bid for the work at the time. The reasons that it was unsuccessful were fully explained to 3M. There is no economic reason why the IPS should seek to put its operation at risk by reopening a contract that is up and running and working effectively.

I have to end on that point, because that is the most important point for me. I must be responsible for an effective and efficient passport service. Asking me to put at risk—

6.30 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Friday 3 December 2010

The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Rebecca Harris (Castle Point) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163), and negatived.

Daylight Saving Bill

[Relevant document: Minutes of Evidence taken before the Energy and Climate Change Committee on 28 October 2010, on the Effect on energy usage of extending British Summer Time, HC 562-i.]

Second Reading

9.34 am

Rebecca Harris (Castle Point) (Con): I beg to move, That the Bill be now read a Second time.

As someone with a few years' experience in the Chamber, you, Mr Speaker, are probably more familiar with the measure than I am, as this is far from being the first time the House has debated this subject. The question of how we best use our daylight hours has been debated for well over 100 years. Daylight saving proposals in one form or another have been brought to the House or to the other place on many occasions and by many more experienced and more distinguished parliamentarians than me.

Winston Churchill introduced single/double summer time during the war to save fuel and let people get home more safely during the blackout. In more recent memory, the measure was proposed by Nigel Beard and David Kidney as Labour Back-Benchers. Sir John Butterfill came closest to success in 1996, and my hon. Friend the Member for South Suffolk (Mr Yeo) introduced a similar Bill on two occasions. Finally, I will not leave out my good friend Lord Tanlaw, who describes himself as a Scottish crofter and sits on the Cross Benches, and who, since introducing the measure, has become known as the Time Lord.

The fact that daylight saving has been championed by people all over the country and across the political spectrum suggests that it is not a party political issue. Hon. Members will note the remarkable range of more than 300 organisations backing the Bill as part of the Lighter Later coalition—such unusual bedfellows as the Kennel Club, Greenpeace, the British Beer and Pub Association, the England and Wales Cricket Board, the Royal Society for the Prevention of Accidents, the AA, the Football Association and Parentline Plus.

The campaign has garnered enormous public support, so much so that yesterday the superb Lighter Later campaigners delivered 9,000 individually written letters to the Department for Business, Innovation and Skills.

Joan Walley (Stoke-on-Trent North) (Lab): I support the Bill. In the early days, organisations such as ROSPA did much to support measures on safety grounds, but does the hon. Lady agree that, with the challenge of climate change and the importance of reducing our carbon emissions, it is more important than ever that the bizarre practices that apply to private Members' business on Fridays do not prevent the Bill from getting a full and proper hearing and reaching the statute book?

Rebecca Harris: I thank the hon. Lady for that helpful intervention. I agree. The arguments in favour of the measure now are more salient than they ever have been. I will go on to outline some of those issues, including the climate change impact that she is concerned about.

The Department for Business, Innovation and Skills yesterday received letters from people throughout the country—small children who like playing outside after school, elderly people who want to feel safer walking in the afternoon, local football teams who cannot afford to light their pitches, seasonal affective disorder sufferers who long for happier winters, and many doctors keen to reduce road traffic accidents and generally improve public health.

Graham Stringer (Blackley and Broughton) (Lab): I am very sympathetic to the hon. Lady's Bill. Has she had representations, as I have, from amateur astronomers and from the strictly orthodox Jewish community?

Rebecca Harris: I can confirm that I have had two representations from amateur astronomers, saying that in the height of summer the measure could delay their ability to gaze at the stars for an extra hour, and I have had representations from the orthodox Jewish community that in the deep midwinter there could be problems in getting to work on time after morning prayers, which are daylight-sensitive.

I recognise and appreciate those concerns, and they are all the more reason why I call for a review. Those might not be insurmountable problems, and employers could be understanding in the darker weeks of winter. All those communities could, of course, get all the other benefits that the Bill would bring for their families and their children, so there might be some common ground.

Letters have been sent by parents who simply want their children to be safer on the roads and by environmentalists who are keen to cut carbon emissions. All those people, despite the different benefits they hope to obtain, believe that a small adjustment to our clocks could not only save scores of lives on the roads but make us happier, healthier and wealthier as a nation. Sadly, previous attempts to make progress on the issue have foundered, in peacetime at least.

Previous Bills have been talked out, kicked into the grass or had their Government support removed at the last moment. All too often, we have cast the facts aside, and emotion and, even, suspicion seem to have driven the House. Some hon. Members have seemed keener to explore the minutiae of marginal procedural issues or focused purely on the measure's effects in deep winter and high summer, as though there were no benefits on those days or during the nine other months of the year—anything, rather than embrace the substance of the proposal.

Mr Tim Yeo (South Suffolk) (Con): I congratulate my hon. Friend on introducing the Bill, of which I am an unqualified and enthusiastic supporter. Does she agree that, in addition to bringing benefits to millions of people throughout the United Kingdom, it is likely to increase Government revenues by hugely boosting the tourist trade?

Rebecca Harris: Absolutely, and, as my hon. Friend will know, I have received an enormous number of representations from the tourist trade, which has some quite interesting claims about the measure's benefits. The Bill might also benefit the retail sector and the leisure sector, including sporting organisations, so its revenue potential is enormous.

Sir Alan Beith (Berwick-upon-Tweed) (LD): My hon. Friend seems rather dismissive of the concerns of those in a constituency such as mine—where opinion seems evenly divided for and against the change—who are genuinely worried, for example, about children having to wait for school buses at the end of country lanes on many more dark mornings than they do now. Those concerns cannot simply be ignored or regarded as procedural.

Rebecca Harris: Perhaps I should not have taken that intervention at this stage, as I shall cover that issue in great detail later, but all the evidence shows that there are three times as many accidents among children in the evening rush hour as there are in the morning, which is why all the road safety organisations very much support the measure.

Previous debates have often generated more heat than daylight. *[Interruption.]* I am sorry, but it had to be done, I am afraid. Indeed, I have experienced some quite passionate debate myself. Little did I imagine, when I innocently put my name into the ballot for private Members' Bills, that I would later be attacked for being a barbecue-obsessed Essex girl or, worse, a national traitor trying to take us on to Berlin time.

Albert Owen (Ynys Môn) (Lab): On the German question, as a Welshman who comes from a constituency equidistant from northern Scotland and the Isle of Wight, I know that opinion is divided but that the vast majority are in favour. Does the hon. Lady, like me, dismiss the argument that we are any less British during the summer, when we move on to European summer time? I am sure that the European fans in her party will benefit from the measure, because many of them go to Europe anyway during the colder months.

Rebecca Harris: I certainly agree. There has been some debate about whether I am casting aside tradition by suggesting that we should no longer be on Greenwich mean time for five winter months. I am a great traditionalist and very proud of the fact that we gave Greenwich mean time to the world, but within only 50 years of our establishing GMT we realised that it was not quite appropriate to the way in which we lived our lives and moved the clocks forward in the summer months.

The issue is not about Berlin or getting rid of tradition; it is entirely about what is right for the residents of these islands and nothing else. It involves a simple question about how we should best use our daylight hours. Time is the most precious resource, and I am grateful to the large number of hon. Members who have given up their precious time today, despite the weather, to be in the Chamber. I refer in particular to my hon. Friend the Member for Winchester (Mr Brine), who has broken off his paternity leave to join us, and I am sure the House will join me in congratulating him on the arrival of baby William.

We cannot grow time, make more of it than we have or create additional daylight, but it is up to us to utilise both as best we can. We in this House determine what time regime the country uses to regulate everyone's lives, and all I ask is that we ensure we set our clocks to everyone's best advantage. Given the wealth of arguments in favour of change, the Government should surely ensure that they have it right. My Bill asks, therefore, for a review of whether we would be better off moving our clocks ahead one hour in winter, in summer or both.

Essentially, we would move an hour of daylight from the morning, when people use it least, to the afternoon or evening, when we could make better use of it, and, as most of us wake up well after sunrise for nine months a year and go to bed long after sunset, we could make better use of our daylight hours. As I have said, the reasons for change are stronger today than ever, which might explain why so many colleagues, particularly newly elected colleagues, are present to support the Bill.

Much of the evidence for change, gathered by a range of organisations and respected experts, seems to be strong and clear—some of it, unequivocal—but there are gaps, and too many people remain sceptical about the benefits that proponents of the measure claim. Without a clearer picture of the advantages and disadvantages, that might always remain the case: the status quo would be maintained, and we might miss out once again.

Dr Thérèse Coffey (Suffolk Coastal) (Con): My hon. Friend makes a powerful case for her Bill, but does she recognise the concerns of constituents such as mine, who experience greater antisocial behaviour in the summer months, when it is lighter later, already, and are deeply concerned that such behaviour will extend well beyond 11 o'clock? She might cover such concerns later in her speech.

Rebecca Harris: Antisocial behaviour is a great scourge, and I understand and appreciate those concerns. People are out more and make more noise in the warmth of summer, but the difficulty that we and the police have is that quite a lot of youngsters escape under the cover of darkness. There is a big spike in antisocial behaviour not just in the summer months, but around Halloween and bonfire night, so there is no clear relationship between such behaviour and daylight hours.

Matthew Hancock (West Suffolk) (Con): In gathering evidence on the issue, will my hon. Friend ensure that the evidence of those who play and watch sport is taken into account? Sport continuing later can help to deal with antisocial behaviour, so today, with our cricketers in Australia, will she ensure that the evidence recognises how frustrating it is to millions of cricket fans throughout the country when bad light stops play?

Rebecca Harris: There is strong evidence that increased youth participation in sport, in particular, can reduce antisocial behaviour and low-level crime by about 18%. That is a very strong point.

The central problem with our previous attempts to introduce daylight saving has been an absence of all the evidence, so I have sought to draft my Bill differently. My Bill, unlike previous measures, does not enforce an immediate change or seek to enforce my views or those of my colleagues on anyone; it simply asks the Government to conduct a cross-Government study of the benefits of the move.

I should like to investigate the current asymmetry of the clock change, which curiously moves us on to winter time two months ahead of the shortest day and continues for three months after. The clause might be seen as a special gift to the hon. Member for—I shall say "the western isles", because I do not wish to irk Scottish Members any more than is absolutely necessary—Na h-Eileanan an Iar (Mr MacNeil). That is a particular interest of his, so I hope that he will support at least that measure in my Bill.

Mr Frank Field (Birkenhead) (Lab): May I say how pleased I am that the hon. Lady has introduced the Bill? I shall be here to support it later. On the Scottish question, if I can put it like that, given that the hon. Gentleman whom she has just cited is, in particular, anxious for increased independence from the UK, should we not have an option that enables Scotland to have its own time zone if it disagrees with the rest of us?

Rebecca Harris: I do not agree with the right hon. Gentleman, because I do not think that it would benefit Scotland, or any other part of the British isles, to have a separate time zone. From the evidence that has been gathered to date, it appears that this move would benefit Scotland over and above England and Wales. The short length of Scotland's daylight hours in winter makes it all the more critical that they are deployed better. Road traffic accident statistics suggest strongly that to do so would save the lives of Scottish children.

The benefits for tourism could be greater for Scotland, because it is dependent on tourism for 11% of its economy, whereas the figure for England is 3%. There are numerous other benefits, such as saving energy. It would be a mistake for us to see the move as a disbenefit to Scotland and to suggest that it requires a separate time zone.

Mr Alan Reid (Argyll and Bute) (LD): I draw my hon. Friend's attention to the Library research paper, which refers to the simulation of the previous experiment by the Transport and Road Research Laboratory. It indicates that the number of people killed and seriously injured in the north of Scotland went up during the experiment.

Rebecca Harris: I think that my hon. Friend will find that the figures for Scotland show that there was a higher reduction in road deaths as a proportion of the population of the whole of Scotland. The vast majority of Scots live in the central belt of Scotland. The research found that it was beneficial for Scotland overall and that there was a net gain.

Mr Tobias Ellwood (Bournemouth East) (Con): The issue of Scotland is critical to the debate. Had the experiment of 1968 to 1971 continued until today, more than 3,500 people who have been killed in Scotland would be alive today.

Rebecca Harris: I shall return to my speech, having taken many interventions.

I ask only that the Government take an objective, informed decision based on the best available evidence so that all the questions can be looked at properly before a decision is taken. If the opponents are correct and the evidence in favour of change is not as clear-cut as many organisations and experts suggest, or if the move would unfairly disadvantage any country of the United Kingdom, my Bill would not require anything further to happen. Surely, therefore, no one need fear the study proposed in the Bill. Even the most vehement opponent of change cannot reasonably object to this modest request. However, if I and the supporters of this measure are right that there are clear benefits to the whole—I stress, the whole—of the United Kingdom, it would be wrong not to go ahead with a proper trial.

Although I am certain that hon. Members have had ample opportunity to consider the arguments in favour of the measure, I will rehearse them briefly. First, every single road safety organisation tells me that the measure would save 80 lives on our roads every year, mainly among children under 15 and other vulnerable road users. If a transport disaster of that magnitude occurred in our country and the Government knew that it would happen every year—year in, year out—but proposed to do nothing about it, there would be a public outcry.

However, there remains a kind of race memory that the winter-only trial of GMT plus one between 1968 and 1970 led to increased road deaths, particularly among children going to school on dark winter mornings, as has been mentioned. That persistent myth has hampered the debate ever since, and it is simply not true. Extensive research by the Transport Research Laboratory found that, far from causing accidents—the view that, sadly, led to the experiment being abandoned in panic—the change resulted in an astonishing 1,120 fewer people being killed or seriously injured during the affected hours.

The principal reason behind those figures is that more accidents occur in the busy afternoon rush hour. There are currently three times as many accidents, particularly involving children, between 3 and 6 pm than between 7 and 10 am. In the mornings, we tend to travel directly, we leave just as much time as we need to get to our destination and the roads are less busy. In the afternoons, we make much more complicated journeys and people are much less attentive—children, in particular, feel liberated after leaving school. That is why moving an extra hour of daylight into the dangerous, busy peak time for travel would be beneficial for road safety. As I have said, that applies to an even greater extent in Scotland and, despite the conventional wisdom, I believe that Scotland stands to benefit the most from this measure.

Damian Collins (Folkestone and Hythe) (Con): Does my hon. Friend agree that another myth that has grown up around the daylight saving issue is that the country clearly rejected the experiment when it ended in the '70s? In fact, the Home Secretary of the time presented polling to the House to show that the public were in favour of the switch.

Rebecca Harris: Yes, Reginald Maudling presented evidence to the House to show that a majority of people in the country were in favour of the change. As often

[Rebecca Harris]

happens, the people who are against something, nervous about it or frightened of it speak more loudly than those who are in favour. We have all experienced that. Unusually, the campaigners for this change have been the louder voices.

Albert Owen: Poll findings are important. I am uncertain what the polling said in 1970 when the experiment was abandoned, but today, even in Scotland, the majority is in favour of the measure, because, among other things, transport infrastructure has changed radically. As a Member who represents a rural constituency, I point out that the National Farmers Union in Scotland is neutral on or in favour of the measure.

Rebecca Harris: It is clear from the last three polls conducted in Scotland that there is a majority in favour. If one explains to people from Scotland the road safety evidence of an 11% drop in accidents in England and Wales and a 17% drop in Scotland, the number of people in favour goes up.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I have tried, as best I can, to assess the opinions in my constituency. This is in no sense scientific polling, but the majority of opinion seems to be in favour of giving the proposal the green light. Having said that, the views are most mixed among those who remember the last experiment. That is why we need a proper assessment of the evidence.

As I understand it, under the Bill, the commission would make the final decision on whether to introduce the new time arrangements and the House would not have an opportunity to have the final say. That concerns me, and I would be interested to hear the hon. Lady's comments. Perhaps the issue could be addressed by amendments at a later stage.

Rebecca Harris: The matter would have to come before Parliament again, but such matters could be ironed out in Committee.

The hon. Gentleman spoke of the experiment in the late '60s. It should be remembered that that was a winter-only trial. No one experienced the benefits of the change in the seven summer months. The enormous benefits to everyone of longer evenings are much more noticeable in the spring, autumn and summer. That should be borne in mind when we consider that experiment and the reactions to it at the time.

Mark Lazarowicz: I confirm that I had misread the provision regarding the matter coming back to the House. However, it is important that there is as full and objective an assessment as possible, because what is relevant for my constituents in south-east Scotland might be very different from what is relevant for the constituents of hon. Members from further to the north and west. Those points must be considered properly.

Rebecca Harris: It is a specific provision of the Bill that the benefits should be considered in relation to all parts of the British isles.

Malcolm Bruce (Gordon) (LD): I understand the hon. Lady's arguments as they relate to summer—most of the arguments are much stronger for the summer months than for the winter months. Is she really convinced that the people of London will be happy when they realise that in midwinter, they will enjoy sunrise 18 minutes later than Aberdeen currently enjoys it in mid-winter?

Rebecca Harris: As I said at the outset, one of the strange aspects of every discussion of this measure is the tendency always to look at the extremes rather than the benefits across the country. Of course, a darker morning means a lighter afternoon—somehow, we always seem to forget that in debates.

The road safety figures for deaths and accidents have been examined, re-examined and updated over and again by the experts. The Department for Transport does not dispute that this measure would save lives and prevent injuries. That is why the Royal Society for the Prevention of Accidents has been campaigning for the change for more than 60 years. It is backed up by every other road safety body, and I am afraid I am going to list them: the road victims charity Brake, the Parliamentary Advisory Council for Transport Safety, the Chartered Institution of Highways and Transportation, the road traffic committee of the Magistrates' Association, GEM Motoring Assist, the AA, Road Safety GB, the Royal Automobile Club and the Institute of Advanced Motoring. I apologise if I have left anyone off that list. Those organisations are unanimous in backing the Bill, and hon. Members will already have received correspondence from many of them encouraging them to support it.

The opportunity to save the lives of 80 people a year, mainly children, is enough reason on its own for the Bill to pass. However, there are other, economic benefits. Our tourism and leisure industry is a major employer, accounting for 3% of gross domestic product in England and Wales, 4% in Northern Ireland and 11% in Scotland. Tourism bodies such as the British Association of Leisure Parks, Piers and Attractions, Visit England and the Tourism Alliance have been pleading for the change for more than a decade. Just this week the Caravan Club has also given backing to my Bill, and I think we can all agree that it and its more than 1 million members probably know a little bit about holidaying in the UK.

An extra hour of daylight at the end of the day would not only be an extra hour all year round for many attractions to stay open and trading; it would also extend the summer tourist season. In effect, the long hours of the average June would become the hours of May and July, giving our tourism businesses the longer summers that their continental competitors take for granted. The industry confidently estimates that an advance in the clocks would result in increased revenue of between £3 billion and £3.5 billion and the creation of up to 70,000 to 80,000 new jobs. That would amount to a significant fiscal injection, with no input from the taxpayer.

Mr Don Foster (Bath) (LD): The hon. Lady rightly raises the important issue of tourism, which would receive one of the many benefits of moving in the direction that she proposes. Will she remind the House that the figures that she has just referred to are for the United Kingdom overall, and that in Scotland alone, the evidence shows that the change would bring something in the region of 7,000 additional jobs?

Rebecca Harris: That is correct. That is the analysis we have, so we can see already the advantages in Scotland. Attractions and venues could stay open, there would be more walking, and golf clubs in Scotland, which I know some hon. Members visit, could stay open.

Brandon Lewis (Great Yarmouth) (Con): When I was examining the tourism issue, I was interested to learn of the importance to Scotland of the walking industry. People who say that walking is part of their holiday in Scotland contribute close to £100 million a year. On top of that, the change would make it easier for rescue agencies, who say that one problem is the fast-closing nights at certain times of year. It would be safer and better for tourism in Scotland.

Rebecca Harris: That is a very good point, and I certainly argue that the tourism benefit holds true right across the country.

Paul Maynard (Blackpool North and Cleveleys) (Con): Does my hon. Friend agree there would be particularly disproportionate benefits to seaside towns, which have struggled to regenerate down the years? Many workers in inland towns come to the seaside for their holidays during their two precious summer weeks off, particularly those from heavy industry. There would be a particular benefit for seaside towns and the workers who holiday in them.

Rebecca Harris: I can certainly see the enormous benefits that the change would bring to towns such as Blackpool and to all other parts of our domestic tourism economy.

Simon Kirby (Brighton, Kemptown) (Con): Brighton is a very long way from Scotland, but 14,000 jobs there depend on tourism, and nearly 9 million visitors spend a staggering three quarters of a billion pounds there each and every year. There is a lot of benefit to the whole country in the proposals.

Rebecca Harris: Cases are being made from around the country, and the tourism case holds true everywhere. The Northern Ireland Tourist Board has supported the change since 1996, and National Galleries of Scotland is backing it today.

It is also worth noting that whereas the farming industry objected to increased daylight saving 40 years ago, it has now adopted a much more positive stance. That is not just because farming practices have changed considerably over the years but because farmers have now diversified into tourism and leisure, with farm stays and a range of outdoor activities. The National Farmers Union in England and Wales has been officially neutral on the matter for years, and now NFU Scotland has come out in favour of my Bill. I should like to read what its spokesman has said:

"We have been described as being vigorously opposed to this but it is not quite as simple as that. To move the discussion forward"—

that is what I am hoping to do through my Bill—

"we do support the private member's bill...which would propose in-depth analysis of the impact of any change—a key concern for Scotland—before any permanent change to the clocks is proposed."

I have never doubted the common sense of farmers in any part of the country. Visit Scotland has taken a similar stance, in view of its interest in visits to Scotland.

The tourism and leisure industry is not the only potential beneficiary, however. Extra daylight could be of enormous benefit to the entire retail sector, and according to a recent Greater London authority report promoting a clock change, even our very popular and well-loved financial and banking sector stands to benefit from being an extra hour closer to the markets in Asia.

Charlotte Leslie (Bristol North West) (Con): I thank my hon. Friend for taking so many interventions. I am a great supporter of the Lighter Later campaign, but does she agree that this discussion is not just about the arguments for and against the change, which are being debated excellently this morning, but also about what the Chamber is for? We must represent the country outside these four walls. This issue has arisen again and again and is of concern to people outside, whereas some issues that we debate may not be of so much concern. Does my hon. Friend agree that allowing the Bill to go forward for further scrutiny will be testament to the fact that the House represents the people outside these four walls?

Rebecca Harris: I agree entirely, and as I said earlier, Bills such as this have come around again and again. They are usually talked out and run out of time, and nothing further happens. They are not taken forward, so various Departments do not get their heads together to investigate the benefits or enter into discussions with the various parts of the United Kingdom. The proposal dies again until some brave or naive soul such as myself picks it up in a private Member's Bill. There is then a vigorous and exciting campaign for six months, and then if it does not get through to Committee, the Government do not decide to examine properly the benefits across all Departments. Nothing happens, the debate does not move forward, entrenched views stay the same for ever and we never get over the hurdles.

Mr Steve Brine (Winchester) (Con): I thank my hon. Friend for her earlier congratulations. She knows that I support the Bill, and I am sure that baby William does as well, although I have no idea why, because daylight hours seem to mean little to him. I am still standing, however.

We have debated the importance of the Bill's not dying and disappearing again for another few years. However, Ministers are in Cancun at the moment, and surely the Bill's energy-saving implications mean that there is real urgency behind the idea that that must not happen this time. Such factors were not discussed, debated and evaluated in the 1970s when the matter last came around.

Rebecca Harris: That is a very good point. Had the experiment coincided with the energy crisis, a very different view might have been taken in the House. I suggest that we now have an energy crisis of our own.

Mr Ben Bradshaw (Exeter) (Lab): The hon. Lady has just made a point about the history of Governments' attitudes to the proposals. Should not the unique attraction of the Bill to any Government be not just that it

[Mr Ben Bradshaw]

commands overwhelming support in the country and the House, and that the evidence in favour of it is overwhelming, but that no other piece of legislation has the potential to spread so much happiness across the United Kingdom?

Rebecca Harris: I thank the right hon. Gentleman. The urgent need to create new jobs and growth at the moment is another salient point. We are in a challenging economic situation, and I do not believe that any hon. Member can really think that we should ignore a potential boost to the economy of 80,000 new jobs at no cost to the taxpayer.

If colleagues are not yet convinced by the need to save lives or boost the economy, I wonder whether the potential health benefits will sway them. We all know what happens when it gets dark—people go back inside and often find themselves slumped in front of the Parliament channel, and opportunities for far more productive activity are lost.

Hundreds of sports clubs and sporting bodies support the Bill, although I am happy to say that neither FIFA nor Sepp Blatter are among them. The Central Council of Physical Recreation, which changed its name this week—I cannot remember the new name—is an umbrella organisation for more than 300 sporting organisations, including the Football Association, the Lawn Tennis Association and the England and Wales Cricket Board. In a letter to hon. Members, it said:

"We are convinced beyond doubt of the benefits that this move would bring to both the grassroots of sport and the nation's health as a whole".

It goes on to point out that increased participation in sport is known to increase social and civic participation, reduce youth crime and reduce chronic illness, not least obesity. I have been flooded—absolutely inundated—with letters from amateur sports groups, youth leaders and schoolteachers, who all describe how much they could do and achieve in their communities if their activities were not curtailed so early in the evening by dusk, particularly in autumn and spring. I even received a very supportive petition from a ladies' carpet bowls club in Yorkshire. Other likely health benefits have been highlighted by the medical profession. They include relief for sufferers of seasonal affective disorder and reduction in vitamin D deficiency.

The potential for the Bill to reduce crime deserves a Government investigation. A very high proportion of crime takes place under the cover of evening darkness. Back in 1995, a Home Office report stated that an extra hour of daylight in the evening would lead to a 3% reduction in crime. I do not expect that crime patterns have changed all that dramatically since that survey, and a lot of opportunistic crime occurs when darkness falls before people get home from school or work.

Gavin Barwell (Croydon Central) (Con): My hon. Friend perhaps does herself a disservice, because there has been a change. The peak in crime used to be when the pubs closed, but it is now when the schools chuck out. Extending daylight hours to when schoolchildren are going home could have a real benefit in terms of crime and antisocial behaviour.

Rebecca Harris: Of course, that is what the Bill seeks to do, and what my hon. Friend says coincides with the accident reduction figures.

Mr Robert Buckland (South Swindon) (Con): Is it not self-evident that with increased daylight hours, the fear of crime and of going out among older people will be reduced?

Rebecca Harris: My hon. Friend anticipates my next comment. Age UK and Saga have told me how much safer older people will feel, and how their fear of crime will be drastically reduced, with longer daylight hours. A lot of older people suffer a self-imposed curfew when it gets dark. Many will not even answer their door after 4 o'clock in the evening in winter. I am not promoting the Bill because it will help politicians in their canvassing in the evenings, but we all know from our experience of people who are very uncomfortable even coming to the front door.

I have received a large volume of letters from older people. I was quite upset to find that many older people feel lonely and that they cannot get out and enjoy social activities. Some people will not drive simply because of the glare on their glasses. One particularly upsetting letter said:

"Please will you make a point of being present to vote for the Lighter Later bill. Many old people living alone don't see anybody for up to 18 hours once it gets dark &…lonely. I know as I am one of them! (Peter died last year)."

That is quite heartbreaking.

Finally, there is the clear potential to save energy—I am sure that other hon. Members will speak at great length on that because it is a pressing concern. The Bill has a clear potential to help us cut our fuel use. Because the majority of us get up after dawn for more than nine months of the year but few households go to sleep before dusk, we use artificial light every night of the year. An extra hour of free daylight each day would cut our electricity bills, and that would be offset only by extra electricity bills in the short winter months.

In the shoulder months either side of mid-winter, the peak demand for electricity occurs when dusk falls. We come home from school or work at half-past 5 and put on the lights, the kettle, the TV and computer games, because it is dark. If we move daylight ahead and allow people to do all those wonderful social activities and go to sports clubs and all the rest, we will flatten that peak demand, which will mean that our national grid will not need so much power on standby. We will save not only on what we use, but on the power we must keep on standby to meet peak demands. The Bill has the clear potential to reduce our electricity consumption at no cost whatever.

Caroline Lucas (Brighton, Pavilion) (Green): That issue is very close to my heart. Does the hon. Lady agree that the Bill would lead to savings of nearly £180 million a year on household electricity bills? That would make a significant difference to fuel poverty, which affects so many of our constituents.

Rebecca Harris: Fuel poverty is another problem that we did not have at the time of the winter-only experiment of '68 to '71. That is another incredibly important reason why we need the Government to look again at

the benefits and details of extending daylight hours. We could achieve the savings to which the hon. Lady refers at no cost.

Extensive research by the Cambridge university department for engineering and National Grid does not dispute that we could cut our electricity consumption by at least 0.5%, which is equivalent to a wind farm of 200 very expensively produced wind turbines. I accept that that is a fraction of the CO_2 reduction to which we are committed, but it is none the less significant, and it can be done without the purchase of a single smart meter or a single square foot of insulation.

Charlie Elphicke (Dover) (Con): I believe that a study by the university of Cambridge says that the change would lead to a saving of 500,000 tonnes of CO_2 each year, which would obviously help the environment.

Rebecca Harris: The modelling from Dr Garnsey's team at Cambridge suggests that we could cut our carbon emissions by the equivalent of taking nearly 200,000 cars off our roads each year. That is why serious environmental pressure groups such as 10:10 are so heavily behind the Bill.

I believe that the proposal could do a great deal of good for our whole country, which is what I came to this Chamber to do. I appreciate that many simply have an aversion to darker winter mornings—I confess that I am not wild about them—and that may well turn out to be the crux of the issue. However, I might have a different perspective on darker winter mornings if I were assured that a darker start to the beginning of the working day in winter allowed, for example, millions of older people to have a better quality of life. If the benefits were found by a Government review to be as stated by the Bill's backers—the change could mean that my son and other people's children were safer on the roads and enjoyed more outdoor play; that people were healthier and there would be more in employment; that more revenue came into the Exchequer; that CO_2 emissions would be cut with no extra subsidy from the taxpayer; and that I would have an extra hour of daylight later on to enjoy as I see fit, although obviously only during recess—I might even feel quite positive about dark winter mornings.

My Bill asks not for anything impractical or costly, but merely for the Government to look at the evidence and make a decision that is based on the facts rather than what is politically expedient. I accept that I may be a naive new Member of Parliament—in fact, after taking on this private Member's Bill, I am convinced of that—but I believe we should always strive to make decisions based on evidence not suspicion, fact not prejudice, and data not conjecture.

This is a decades-old debate, but the arguments are now so compelling that it would be foolish to dismiss the case for change without first conducting a review of the evidence. I do not deny that there is a place for emotion in politics and some may find that emotion is important in the context of the Bill, but Parliament has a responsibility, as my hon. Friends have pointed out, to dictate the time by which our modern lives are regulated. We have a duty to every single one of the 60 million residents of the United Kingdom to ensure that when we set the time for them, we make the right choice. We must ask ourselves whether the proposal is the best, or least worst, option for people living their lives in England, Wales, Scotland and Northern Ireland. My Bill simply asks that the question be put to the Government, so that we can get a clear answer on which to base our future decisions. With that, I commend the Bill to the House.

10.18 pm

Albert Owen (Ynys Môn) (Lab): It is a great pleasure to follow the hon. Member for Castle Point (Rebecca Harris), and I congratulate her on promoting the Bill in this debate. I know that she has been inundated with hundreds and thousands of e-mails. I had a private Member's Bill in the previous Session, and I became very popular very quickly. When a Member dismisses most of those representations, they become unpopular, before undertaking the onerous task of taking their Bill through Parliament. The hon. Lady presented her case with a great sense of humour and a sense of purpose. The Bill is important, and I have supported such measures for a long time.

The hon. Lady listed supporters of the Bill in the excellent Library briefing. She was brave enough to mention the English Football Association the day after the Zurich decision, and she also mentioned the England and Wales Cricket Board. I know that the Ashes are on now, although I do not know the score. If it is positive, I am happy to call it the England and Wales Cricket Board, but if they lose the Ashes, I am happy to refer to them as the England team.

Andrew Bingham (High Peak) (Con): I believe that Australia were all out for 275.

Albert Owen: I am grateful for that information, and I hope it continues. I am also disappointed about yesterday's decision.

Mr David Nuttall (Bury North) (Con): They were actually all out for 245, and England survived the one remaining over, scoring one run.

Albert Owen: I am grateful to the hon. Gentleman for shining light on the situation.

I support the Bill. I will develop an argument on the energy saving to which the hon. Lady referred, but I make no apologies for emphasising and rehearsing some of the arguments she made on tourism, sports and leisure. In many ways, the Bill is a moderate measure, in that it simply asks the Government to conduct a comprehensive cross-departmental review of the cost benefits of the savings that could be made to the country—she mentioned some headlines to do with that.

I think that we should advance the time by one hour for part or all of the year. I support the latter, and I think that it is important to conduct a three-year study to establish the summer and winter comparisons. It is also important to report back to the House. Perhaps the hon. Lady could intervene on me—although she is having a private discussion at the moment—to clarify something: the Bill does not make it clear whether the commission would have to report to the House after the six months, so that we can have a debate and come to a decision. I am sure that she will have an opportunity, as the Bill develops, to inform the House on that point. It is important for the House to make a decision based on the judgment of an independent commission.

[Albert Owen]

I am proud that the Bill contains special measures for different parts of the United Kingdom. It is important that we consider not just the Scottish question, but the Northern Ireland one as well. It is one of the most north-westerly parts of the UK. It is important that we consider those different parts of the UK when balancing the evidence. I am old enough to remember the 1960s and '70s, when this experiment was first done, in great detail. At the time, I was—at least I thought I was—working and helping out on a farm, although the farmer probably thought I was getting in the way at times. I remember that period as a child going to school and working in the summer months on farms at early hours of the morning, so I have some experience of that period. It is important to consider the different parts of the United Kingdom, as well as the different parts of Government, in order to get a full picture before making decisions.

As the hon. Lady said, the benefits outweigh any problems that might occur. There would be less crime, fewer road accidents and fatalities, and increased recreational activities and tourism, which would provide a boost for all parts of the UK, particularly those north-western regions. As the hon. Member for Blackpool North and Cleveleys (Paul Maynard) said, the coastal areas and resorts of the UK will benefit hugely from visitors, not just from overseas, but from different parts of the UK. As somebody who represents a coastal area, I know the benefits that could be achieved.

There could also be improvements in health and well-being. As my right hon. Friend the Member for Exeter (Mr Bradshaw) said, the Prime Minister is big on a happiness index. Although happiness is difficult to quantify, I honestly believe that the benefits of the Bill will improve the well-being of the people of the UK. I get depressed in October when the clocks go back. Many Members will have anecdotal evidence of the same thing. The benefits of the Bill in the summer, from recreation, sport and health activities, would also be very important.

I want to refer predominantly to the energy savings. The Energy and Climate Change Committee, of which I am a member, conducted a mini inquiry into the matter in October. As the hon. Lady said, the energy saving factors today represent the big difference from the arguments of the 1960s and '70s. Back then, energy security was not the big issue it is today. We had plentiful supplies of indigenous coal, and then we moved on to the benefits of North sea gas, so we did not think of energy security in the same way as we do today. Obviously, our minds have been changed by environmental and climate change issues as well. That is the big difference.

It was important that the Select Committee considered the benefits of energy savings. The positive nature of the evidence given by the academics from the university of Cambridge study and from a representative of the National Grid was stark. I stress that the mini inquiry considered electricity demand alone. Perhaps we should also have looked at the gas benefits. We might get the opportunity to do that in the future. As the hon. Lady said, the first thing people do in October when the clocks go back, is adjust their thermostats and the timings on their gas boilers, so that gas is used much earlier in the evening. That has an impact. Were we to quantify gas consumption as we can electricity, the environmental, climate change and CO_2 emission benefits from the reduction of CO_2 would be very obvious. We must take that forward. As the hon. Member for Brighton, Pavilion (Caroline Lucas) said, that would help with fuel poverty. I think that it is estimated that £200 million could be saved in electricity bills alone, and adding gas to that would make a massive difference to vulnerable people in this country. There are massive benefits to be had there.

The question and answer session that the Select Committee held with the academics and National Grid showed that there would be massive benefits, particularly in the shoulder months of November, February and March. That is when demand increases significantly. It is worth pointing out that throughout the UK there would be very little difference in demand in the months of December and January, because that is when, whatever we do with the clocks, there will be the greatest amount of darkness.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Does the hon. Gentleman not feel, when he talks about the shoulder months, that he is actually arguing for a shorter, more symmetrical period of winter time, rather than the seven weeks before and the 14 weeks after new year that we have at the moment?

Albert Owen: No, quite the opposite. That is why I pointed out that there would be little difference during December and January.

As the hon. Member for Castle Point pointed out, the benefits from March to October would far outweigh any of the discomfort that people feel during December and January, which are the bleak winter months.

Malcolm Bruce: The proponents of the Bill are in danger of taking as fact research evidence that is highly qualified. After it attempted to analyse the figures, the university of Cambridge used words such as "probably increased" and

"could have a range of energy benefits".

The Government said that the information was not conclusive one way or the other.

Albert Owen: I thank the right hon. Gentleman for that intervention, but that is not the evidence we had most recently.

Malcolm Bruce: It is the evidence I have here.

Albert Owen: Well, I was the person asking the questions, and I know that the Library notes are very thick. One survey, on buildings—particularly office buildings—was not conclusive, but on domestic homes and electricity peak demands, the evidence was to the contrary, which is why I am arguing that we need to consider gas consumption as well as electricity demands. We would then get a much clearer picture to show the benefits of energy savings.

Mr Foster: In responding to my right hon. Friend the Member for Gordon (Malcolm Bruce), surely the hon. Gentleman might have pointed out that the Bill proposes more detailed research on such matters—research that I am convinced will lead to the sort of evidence to which he is referring.

Albert Owen: I am grateful to the hon. Gentleman for his help. I will develop the argument that what we are asking for is a full review over three years, so that we can have all the up-to-date evidence that we need to make a conscious decision in this House. That is an important point, because in many ways the academic research done by Cambridge university was narrow in its remit. I was disappointed by some of the answers of the academics who had looked at the issue, although I was very much encouraged by the National Grid representative, who talked about the energy savings that would be made immediately—now, today—on the basis of the evidence and the data available to National Grid.

Many of the benefits in the shoulder months relate to the reduction in electricity used of some 1,300 MW. I pushed the National Grid representative on what that would mean. It would mean one power station in the United Kingdom closing for one hour a day during the shoulder months. That would mean a significant amount of electricity being saved, alongside the savings in CO_2, which would be in the region of 500,000 tonnes, and—I emphasise this point again because it is important—a reduction in what consumers pay of some £200 million.

Damian Collins: Does the hon. Gentleman agree that there could also be a benefit from reducing the need to import energy? We have an electricity link from my constituency of Folkestone and Hythe to France, from which we need to import electricity at peak times just to meet the demand.

Albert Owen: Yes, and I did mention energy security. Indeed, we can break that down and talk about microgeneration, whereby individual houses and community buildings send electricity back to the grid. That is all part of the wider argument about saving energy that I am putting forward. In moving the motion, the hon. Member for Castle Point made strong arguments about other aspects, which I will touch on, but the energy saving argument is the big difference between now and the '60s and '70s, and it is one that we should push.

Mr MacNeil: Will the hon. Gentleman give way?

Albert Owen: I will give way to the hon. Gentleman one last time.

Mr MacNeil: I would just like to draw the hon. Gentleman's attention to the evidence from the Building Research Establishment, which indicated that darkened mornings might lead to increased electricity consumption, as people who switch the lights on in the morning may leave them on for the rest of the day.

Albert Owen: I responded to the right hon. Member for Gordon (Malcolm Bruce) about that survey, which looked at offices. Let us be honest: most people who put their lights on in the offices do not pay the bills, so they are reluctant to come into line. However, households do have to pay those bills, so there is a difference, particularly in a climate where energy prices are rising for domestic households. That survey was about major office buildings. A lot of those office buildings were built in the '60s or '70s, and do not have proper insulation, so they are not very good buildings in the first instance. However, the National Grid representative made it absolutely clear that peak demand would be reduced if there was an extension to British summer time.

Mr Reid: The hon. Gentleman's analysis is flawed because he is looking only at electricity. Electricity is used for both heating and lighting. There is evidence that lighting costs would be reduced by the change, but that heating costs would be increased. That means that the use of other fuels—gas, oil and coal—would almost certainly increase, meaning that the total effect of the change would be increased carbon emissions.

Albert Owen: I am sure that the hon. Gentleman was listening when I argued that we needed more evidence on gas. However, one thing that is clear is that people in areas that are off-grid—areas such as mine and, I am sure, his—are paying more for fuel. Electricity is pretty universal across the United Kingdom, but there are certain areas—periphery areas in particular—that are off the gas grid. Those areas have to pay for oil or liquefied petroleum gas, and they therefore pay more. Far from the proposal being flawed, the evidence will show that with an extra hour in the evenings in November, February and March, those people will use less fuel. However, that is why the Bill is asking for a trial period. All that evidence will be produced and will, I think, lead to the conclusion—indeed, I am certain that it will to this conclusion, as happened with electricity—that lead consumption would be reduced and energy saved if we had that additional hour in the summer and, in particular, the shoulder months of the winter.

I want to talk about the benefits that the Bill and its outcome—if the commission were to move British summer time—would have for tourism. The United Kingdom has a great product to sell, but often local trade is lost in the winter as people go home from work, owing to darkness falling across the United Kingdom relatively early. The extension of an hour in the winter months and, in particular, the summer months would benefit our tourism industry, retail outlets and sporting activities. There is a massive plus there that we need to consider when we look at the big picture.

Annette Brooke (Mid Dorset and North Poole) (LD): We have been talking about the changing significance of the proposal since the previous experiment. Tourism and leisure are proportionately more important, given the changing structure of our industries, so does the hon. Gentleman agree that the employment argument is now very significant?

Albert Owen: I certainly agree that tourism is increasingly important to the British economy—there is absolutely no doubt about that—and if we in this House can get extra benefits for it, we will be doing a good thing.

As the hon. Member for Castle Point said in her opening remarks, the Bill would be proportionately beneficial to Scotland, Northern Ireland and periphery areas. It is important for the United Kingdom to have more even economic development for those areas. This Bill offers a win-win situation for areas in Scotland, Northern Ireland and my constituency in north-west Wales. As the hon. Lady also said, the nature of what the study in the '60s looked at has changed. Agriculture trends have changed considerably, through mechanisation and vehicle transport. That is why the National Farmers Union of England and Wales is now neutral on the Bill—it is not hostile—and why the National Farmers Union of Scotland is in favour. That is hugely beneficial.

Mr Reid: It is only fair to put on record the fact that in its response, the National Farmers Union of Scotland heavily stressed the study aspect of the Bill. It was not in favour of the clock change, but stressed the need for a study before anything else was done.

Albert Owen: The hon. Gentleman is right to put that on the record, but again he is enhancing my argument in favour of the Bill. The National Farmers Union of Scotland was very much against the proposal in the '60s and '70s, but it now wants a study because it believes that there could be overall benefits. That is a huge move on the part of an organisation that in many ways is slow to change its policies.

There are, of course, other arguments used by opponents of the Bill. One is that they would feel less British, which I mentioned in an earlier intervention. I am an ex-seafarer. I know how important GMT is to the world. However, that would remain exactly the same, and for the months of March to October we move to European time anyway, so that one can be dismissed pretty easily—

Mr Roger Gale (North Thanet) (Con) *rose*—

Albert Owen—although I am sure that the hon. Gentleman will argue to the contrary.

Mr Gale: I am entirely in support of everything that the hon. Gentleman is saying. Setting aside the *Daily Mail*'s xenophobia for a moment, the editor of the *Mail* might like to recognise that there is one little corner of a foreign field—Gibraltar, which could not be more British—that is on that time the year round.

Albert Owen: I am extremely grateful to the hon. Gentleman, and I am sorry that I misread him. He and I do not agree on quite a few issues, but I am very happy to have him on side on this one. He mentioned the *Daily Mail*. It is only fair to mention the *Daily Express*, which has been actively campaigning for the Bill and for extra daylight hours in the evenings. I thank him for giving me the opportunity to point that out, and he is absolutely right about the benefit that parts of Europe, especially Gibraltar, enjoy.

I want to draw my remarks to a conclusion. This is a good Bill. It is a good idea, and it would be good for the United Kingdom. However, I want to see those independent analyses of the four nations, which will be important in making our mind up. This is not an anti-Scottish Bill; it is a pro-UK Bill. It would benefit the whole of the United Kingdom. The proposals would reduce energy consumption. The evidence relating to electricity demonstrates that, and there would also be benefits for gas consumption. Crime would also be reduced, because opportunist crime peaks during October and November when it gets dark before people come home from work, so their properties are empty after nightfall.

The hon. Member for Castle Point mentioned the reduction of accidents and fatalities on our roads, and it is essential that we address that point in the Bill. The increase in tourism would be very positive, as would the increase in sports and leisure. Who likes going to a football match in the winter when it gets dark early and they have to put the floodlights on by half-time?

Peter Aldous (Waveney) (Con): Or at the kick-off.

Albert Owen: I agree that there is an argument about summer football, which the hon. Gentleman is making from a sedentary position, but cricket has traditionally dominated the summer period—particularly in England—while football dominates the winter. Also, we now have the Twenty20 series throughout the year, so perhaps we could review that position. That is not a matter for this Bill, however.

The Bill would allow us to take a massive positive step. Although the measure is moderate, its outcomes would be profound.

Mr MacNeil: Will the hon. Gentleman give way?

Albert Owen: I will not give way. I shall finish my speech now so that other people can have the opportunity to speak.

I believe that the measure would increase our well-being. In the spirit of cross-party support here, I believe that we should look at the happiness agenda. I think that having a barbecue at 11.30 pm, using clean coal and perhaps serving some salad dishes in the summer would increase the well-being and happiness of people throughout the United Kingdom—

Mr MacNeil: Low carbon!

Albert Owen: I did say "clean coal". The hon. Gentleman is always jumping in; he is a bit too keen. I was talking about clean coal, and eating salads and healthy dishes so that we can participate in sport. The measure would increase the well-being of the people in the United Kingdom, and that is what we have been sent to this House for. I am happy to support the Bill and happy to help to take it forward in the House.

10.41 am

Mr Roger Gale (North Thanet) (Con): I congratulate my hon. Friend the Member for Castle Point (Rebecca Harris) on introducing this very sensible measure. I have a sneaking feeling that Sir Bernard Braine would be extremely proud, were he around to hear her speak today. The point has been made, and it will be made again, that, if the proposal before us were adopted, it would enhance tourism and road safety, that it would be very good for sport and for the economy of the British isles as a whole, and that it would probably enhance the happiness and well-being of the nation generally. That is why I wholeheartedly support my hon. Friend's Bill, and why I believe that we should come into line with Gibraltar time and adopt this measure.

I want to cover just one issue briefly. My friend, the right hon. Member for Birkenhead (Mr Field) raised the possibility of Scotland exercising a choice in this matter. I do not think that that is a ridiculous or improper suggestion, and I do not think that it would in any way damage the unity of the United Kingdom. Scotland has its own Parliament and it takes its own decisions. It is certainly marginally true that there are areas in the far north of Scotland that would be a little more affected by these proposals than anywhere else in the United Kingdom. I am not speaking as a founder member of the Rebuild Hadrian's Wall Society, but it is incorrect to say that the concept of having one time zone south of the wall, or border, and another on the other side of it is unacceptable.

A gentleman in the Library called Oliver Bennett has been extremely helpful to us all, and we should thank him for his hard work on this subject. He has advised me that, over the four mainland time zones in the United States, there are inevitably towns in which crossing a bridge can take someone from one time zone to another. One such town has two time zones separated by a river. That happens and it is manageable. Indeed, my hon. Friend the Member for South Thanet (Laura Sandys)—I hope that she catches your eye in due course, Mr Deputy Speaker—and I represent part of the United Kingdom that is 25 miles away from a different time zone for part of the year. That is 30 minutes away by train, and the difference is perfectly manageable. It is not an impossibility. In the United States, the Department of Transportation is, curiously, responsible for determining whether a county should change from one time zone to another.

Mr David Hamilton (Midlothian) (Lab): That is also true of the Soviet Union, or Russia, where there are 11 time zones, often separated by rivers and bridges. Having different time zones is undesirable, however, in a small country such as the United Kingdom. Surely the hon. Gentleman is not suggesting that it would be desirable for the UK.

Mr Gale: I am not necessarily saying that it is desirable; I am saying that it is practicably possible, if that is what the Scots want.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): If separate time zones were operating across the UK, would the hon. Gentleman be in favour of retaining the BBC news on Greenwich mean time or on summer time?

Mr Gale: I think that the BBC will do what it has continued to do for a very long time, and live in the past.

I was saying to the hon. Member for Midlothian (Mr Hamilton) that it is practicably possible to have different time zones, and that if the Scots, who have their own Parliament, genuinely choose, having consulted the people who elect them, to adopt a different time zone, there is practicably no reason why they should not do so. It works right across the United States and across Europe, and we have already established that Gibraltar is in a different time zone from the United Kingdom although it proudly flies the Union flag.

Mr MacNeil: Will the hon. Gentleman give way?

Mr Gale: I am going to conclude now; a lot of other people want to speak. When the hon. Member for the Western Isles—I wish I could remember the proper name of his constituency; I did it the other day, but I cannot remember it now—rises to speak, I urge him to consider, instead of seeking to impose a rejection of change on the whole of the United Kingdom, the fact that there is a perfectly viable alternative. If he and those whom he represents, and those in the Scottish Parliament, chose to go down that alternative road, he might find that quite a lot of people on the Government Benches would be perfectly willing to support him.

10.47 am

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I do not intend to say a great deal, but I want to address a couple of the issues from the perspective of someone who represents one of the most northerly constituencies in the UK. I must confess that I approached this issue with a very open mind. After 40 years, it is always worth looking at an issue again with fresh eyes in the light of changing times, and I have therefore listened very carefully to the lobbyists, spoken to the stakeholders and looked at the evidence. I live in the far north of Scotland and I represent people who will be disproportionately impacted by the proposed change, however, and I have to say that I remain decidedly ambivalent about the potential benefits and unpersuaded by some of the evidence that I have seen.

I have also been approached by numerous constituents—just ordinary citizens who are not part of any lobby group—who are worried about the impact of the proposals on their quality of life. They tell me how the measure could compromise their safety. One of my main concerns with the evidence that I have seen and heard is that an awful lot of it is simulated, as the right hon. Member for Gordon (Malcolm Bruce) pointed out. It is speculative, and it is not based on empirical data. It does not take into account other relevant attendant factors that can influence this process, such as the weather. I have been slightly bemused this week to observe how a light dusting of snow in central London seems to have brought the metropolis to a standstill. However, many parts of the country are experiencing very severe weather at present, and I think it brings home to many of us just how dangerous it can be to travel in icy conditions.

The local authority in the area that I represent grits the roads during seven months of the year. Driving before dawn is dangerous, not because it is dark but because the roads are icy. In the dead of winter, there are many days on which the mercury is never going to rise above zero, but on most winter days, the temperature will rise after sunrise, and as the sun gets up, the roads become less hazardous. I have to confess that the thought of having to drive on icy roads does not fill me with relish. That concern is shared by many people who live and work in northern climates. It is not just road safety issues that are of concern. Hon. Members have mentioned the problem of kids standing around waiting for school buses in the cold and the dark. We have bitter, dreich, nasty winter mornings that are already bad. Taking the time back an hour further would make that even more unpleasant.

The other factor that has not been considered is that, when the experiment took place in the 1960s, road fatalities in the north of Scotland did, indeed, increase. That happened despite the fact that, during the same period, speed limits, drink-driving legislation and seat belts were introduced. Unless we believe that none of those measures had any impact on road safety, we have to take some of the evidence on road safety with a big pinch of salt. Early mornings are a hazardous time to be on the roads. We cannot just isolate the one issue of darkness and extrapolate from that without considering the wider context.

Malcolm Bruce: Does the hon. Lady agree that hon. Members who represent southern constituencies should realise that what she is describing are the conditions we currently experience, and that they will experience them if we have this experiment?

Dr Whiteford: I could not agree more with the right hon. Gentleman. He has experience, as I do, of getting up in the dark, going to work and school in the dark and coming home in the dark. The ontological reality that we live with is that there is a limited amount of daylight. As small child, I was very fond of a poem by Robert Louis Stevenson that begins:

"In winter I get up at night
And dress by yellow candle-light.
In summer, quite the other way,
I have to go to bed by day."

I empathised with the child in the poem, who had to be carted off to bed when it was still time to be playing outside. As I get older, it is becoming very clear to me that getting up in what feels like the middle of the night in the far north is not pleasant and it is not good for our well-being, health or happiness. Such a measure will lead to danger and misery for people who live in the north.

Rebecca Harris: I am very sympathetic to the concerns of the hon. Lady and her constituents. As she will see, I have drafted my Bill carefully to ensure to that exactly those factors are taken into account, so that there will be no danger of any change taking place to the disbenefit of any part of the United Kingdom. I hope that she will look at the science of the road safety experts, who say that even in the shortest mid-winter days in the north of the country, there will be a saving. In parts of Scotland, children go to school in the dark already. At least this measure would mean that they came home in the light, during the lighter period of the day.

Dr Whiteford: I am afraid the reality is that there is a limited amount of daylight. Children are already dealing with the fact that there is half-light. The measure will not make any difference to that. The only difference is that we will have to get up even earlier. We can debate whether the prospect of separate time zones across the UK is realistic or not.

Mr Ellwood: Will the hon. Lady give way?

Dr Whiteford: Not just now because I am winding up.

We have to think very seriously about the logistics of having separate time zones. The reality is that we could all get up a bit later, and start schools and work at 10 o'clock. However, that would be very difficult for those people who work for UK-wide organisations and who have difficulty in changing the time of day when they do things. The benefits of the measure are rather untested, and are outweighed by the dangers of driving in hazardous conditions, which have not been properly considered. Some of the evidence we have heard demonstrates that the methodology is rather flawed and the evidence is incomplete. I ask hon. Members to think carefully before imposing the measure across the UK.

10.54 am

Caroline Nokes (Romsey and Southampton North) (Con): I congratulate my hon. Friend the Member for Castle Point (Rebecca Harris) on introducing the Bill. She may have drawn accusations that she is a barbecue-obsessed southerner but, considering today's temperature, that seems irrelevant. I thank the hon. Member for Ynys Môn (Albert Owen) for his comments about the work of the Energy and Climate Change Committee, which has recently considered the issue. I am impressed to see a significant proportion of the members of the Environmental Audit Committee, on which I sit, present. It too appreciates the potential benefits of the measure.

The 10:10 Lighter Later campaign has certainly been very active. Little did I know that when I met a member of that campaign during the general election, I would be standing here in December debating the issue. I even managed to convince a number of my constituents to spend a significant proportion of their time phoning hon. Members yesterday to exhort them to stay for today's debate. I thank all those people from my constituency who did so—I spoke to a good number of them yesterday afternoon. I particularly congratulate those who have struggled through the snow to be here today.

None of the individuals, businesses or organisations that are supporting this examination and analysis are supporting change for change's sake. What we want is a cross-departmental analysis of the potential benefits of a new, updated trial, so that any evidence is based on modern statistics and current thinking and analysis, rather than on information from the late 1960s. Much has changed since the last trial—in particular, farming technology. I come from a reasonably rural constituency and have family links to the farming industry, so I know that that measure was obviously of concern. However, the agricultural community has rowed back from its earlier position. At worst, it is now neutral on the subject, and some members of the farming community are positive about the possibility of a new trial.

Importantly, as a member of the Environmental Audit Committee, I know that there are new considerations that were not uppermost in people's minds in the '60s and '70s. I was pleased to hear the Committee's Chairman, the hon. Member for Stoke-on-Trent North (Joan Walley), make the point about the impact that the measure could have on CO_2 emissions. It has massive potential benefits for the UK's carbon footprint and, indeed, for individual domestic energy bills. More than a 2% reduction in CO_2 emissions during winter is a significant improvement. I am sure that we in this House are all committed to meeting challenging environmental targets. That could be done, via this measure, at no cost.

I admit that Romsey and Southampton North is about as southern a constituency as there is, and I am convinced that we will have some interesting and enlightening contributions from some of the more northerly Members shortly. However, there are many options to consider: balancing the time change around the winter solstice; having a permanent change to British summer time, so that my constituents who remain concerned about the difficulties of having to change their clocks twice a year could avoid it; and the proposal advocated by Lighter Later, which would involve a move to GMT+1 and GMT+2. All those ideas are in the mix and are worthy of proper analysis.

If such a measure was good enough for a coalition Government during the second world war, it is good enough for a coalition Government to examine now.

10.57 am

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I, too, congratulate the hon. Member for Castle Point (Rebecca Harris) on being successful in the ballot.

I wish she had chosen something else but, nevertheless, she has perhaps chosen her specialist subject. As a result, some of us are here fielding or batting in the opposite direction.

I am happy once again to be debating the subject of changing the time when the clocks go back in the United Kingdom. I think this is the third time I have participated in such a debate since being elected in 2005. The matter seems to return to the House fairly regularly. As hon. Members may assume, I will not argue in favour of the change, which will have a disproportionate effect on my part of the world. That is not to say that I am resistant to change. I am happy for there to be a compromise. I would like the period of winter time to be changed from 21 weeks to perhaps 10 weeks. Rather than seven weeks before mid-winter and 14 weeks after mid-winter, there should be five weeks either side of mid-winter. That might be a compromise that we could live with.

Moving to central European time would be a mistake given our longitude. That fact is exacerbated by the latitude differences within the United Kingdom, which mean that the further north we travel, the shorter is the day in winter. There is a great argument for symmetry either side of the mid-winter day. I hope that we will try to change that. However, European directive 2000/84/EC seems to tie our hands to a time change on the last Sunday in October and the last Sunday in March. That directive seems to enshrine the asymmetry.

However, it is only a directive. Given the strength of feeling in this place about matters European, one would think that some Government Members, who are no longer in opposition, as they were when I last spoke about this, would realise that it is not a commandment, but a directive, and perhaps do something about it.

The Bill does not seek to move the daylight, as some would have us believe: in fact, it wants to move us, the people, into the night. I ask anybody watching, wherever in the UK they may be—I am sure that, as the hon. Member for Castle Point said, people will be riveted to the parliamentary channel—to imagine getting up an hour earlier today.

Mr Ellwood: The hon. Gentleman and I have sparred over this issue for a number of years. I think that he inadvertently misleads the House, because in Glasgow, for example, sunset today takes place just six minutes after it does here in London. The statistics for his own constituency suggest that schoolchildren are going to school in the dark and returning home in the dark. The clock change would allow at least one of those journeys to be made in the light. Were this Bill to go through, his adult constituents would benefit from 160 more hours a year after work and children would benefit from 84 hours of daylight after school. That is a useful statistic for his constituents to be aware of.

Mr MacNeil: If the hon. Gentleman's argument is for one hour, why does he not extend that logic to two, three, four or eight hours? Perhaps we could have our daylight at 4 o'clock in the afternoon when we have all finished work so that we had more leisure time at the end of day. That would be the logical conclusion of his argument.

The crux of the matter is that people getting up an hour earlier face the darkness of the morning for another hour. As I make this argument for the third time, I sometimes feel that we are doing battle with the forces of darkness—I am looking directly across the Chamber at the hon. Member for Bournemouth East (Mr Ellwood). Some Members will imagine that I am participating in this debate merely to indulge in what is claimed to be the perennial Scottish ritual of opposing any changes to the clocks, but that is not true.

A similar idea was defeated in this House in 1970—this may help the hon. Member for North Thanet (Mr Gale)—when the then Member for the Western Isles, the late Donald Stewart, started his Commons speaking career by opposing this very argument 40 years and a day ago, on 2 December 1970, when I was a mere babe in arms of five months. I was reminded of it by one of the Doorkeepers, Mr Robin Fell from the Serjeant at Arms office. He was working in the Commons at the time, and such is his impressive institutional memory that he remembered the debate. Donald Stewart said:

> "Public opinion polls would indicate that there is a case for abolishing British Standard Time."

He went on to say:

> "Central European Time is really what we are discussing. It has little relevance to England and none at all to Scotland. It is pleasant to know that several hon. Members from English constituencies, some of them in the south, have indicated to me that they intend to vote for the abolition of British Standard Time." [*Official Report*, 2 December 1970; Vol 807, c. 1346.]

Iain Stewart (Milton Keynes South) (Con): I hope that, as a Conservative and Unionist, I will not do the hon. Gentleman's credibility any damage if I agree with that point. Some Members from southern constituencies, although they may be not completely against changing the clocks, do at least have significant concerns about it.

Mr MacNeil: I thank the hon. Gentleman. That is borne out in my next point. The result of the Division on 2 December 1970 was 366 to 81. The hon. Members for Bolsover (Mr Skinner) and for Louth and Horncastle (Sir Peter Tapsell) were here, and they voted to abolish British standard time, so I imagine that today they would be on my side of the argument. I would have had 366 Members on my side and there would have been 81 on the other side. I cannot see 81 in front of me today, but I think that those who are most vexed by this proposal are here.

Dawn happens when dawn happens. Supporters of the Bill have painted a picture—

Mr Reid: I am pleased that the hon. Gentleman referred to the earlier debate. The fact is that we have had an experiment in this country, and we do not need another one. From reading the *Hansard* record of that debate, it is obvious that members of the public were writing in their droves to their MPs demanding that this awful experiment be stopped. The experiment failed, and we should move on.

Mr MacNeil: The hon. Gentleman is absolutely correct. There are of course the interested parties—the busybodies, perhaps—but most people feel that this is just Westminster going through its contortions yet again. This is the third time that this has come before the House in five years, and people feel that it is not as serious as it might seem, or not as serious as it could be if the mistake is made.

[Mr MacNeil]

The experiment has happened not only here but in Portugal, in the 1990s. Portugal's dawn is about the same time as dawn here. Its daylight hours would have been longer, but people changed back. I presume because of the disbenefits in the morning. The experiment has happened not once, but twice, and people have changed back both times.

Albert Owen: I am reluctant to go with the Portuguese example, but it happened because Portugal had extra benefits already, so that is not a strong argument. I do not think we should be discussing Portugal today, because the only thing that it has in common with England is that both lost the FIFA world cup bid. The hon. Gentleman said that he was happy to compromise and to move forward. All that this Bill is asking for is an analysis of cost benefits and a trial period. Surely, in the spirit of compromise that he mentions, he should support this measure.

Mr MacNeil: The trial period is the dangerous part. A trial period of three years is quite a large percentage of somebody's life. I would be happier if something could be done about the EU directive. Rather than plunge people in Scotland into misery, we could turn the other way, look south-east towards Belgium—towards Brussels and the EU—and move forward with greater security, but instead we will be shoehorned into this by interests in the south of England aligning with interests in the EU and plunging Scotland into darkness.

Mr Ellwood *rose*—

Mr MacNeil: The forces of darkness are back again.

Mr Ellwood: The hon. Gentleman says that he is representing his seat and Scotland by claiming that we are going to plunge them into misery. How does he square that with the three recent polls in Scotland in which people said they favoured this move, and with the fact that the farmers, who were the big opponents of this change, have now decided to embrace it because in many cases they have moved into the world of tourism?

Mr MacNeil: I draw the hon. Gentleman's attention to an Ipsos MORI poll on changing the clocks, which showed that 19% of people in Scotland were in favour and 28% of people in London were in favour. The average throughout the UK was 25%, so the polling evidence is not as conclusive as he suggests.

Mr David Hamilton: Is not the fact that very few central Scotland MPs, and no MPs from the borders, are here an indication that this is not the major issue in Scotland that the hon. Gentleman makes it out to be? I have to say that he does not speak for Scotland.

Mr MacNeil: In all areas and at all times there is a difference of opinion. The reason many of them are not here is probably that they and their constituents do not think that this change will really happen—that it is just Westminster going through a debate. If constituents did think it was going to happen, we might indeed have 366 Members here to debate against 81. I am glad that the hon. Gentleman agrees that that is possible.

In 1968, the image that was often painted was one of slimmer people, the elderly feeling safer, more tourists, more money in our pockets and more lives being saved during the winter. Those arguments have not changed since the '60s.

Nicola Blackwood (Oxford West and Abingdon) (Con): Does the hon. Gentleman agree that something significant has changed since 1968, which is that we face catastrophic climate change and an energy crisis? This measure has the potential to take the equivalent of 172,000 cars off the roads. Does he not think that that alone merits at least a trial?

Mr MacNeil: A number of things have indeed changed since the 1970s; of course, I have aged 40 years. The hon. Lady is incorrect in the assumptions that underlie her intervention. I will try to come to those matters later; if I do not, I will be happy to take another intervention.

The report to Cabinet spoke of a reduction in Scottish resistance to the idea, as we heard again today, save in the rural areas, which I come from, of course—the Outer Hebrides—but two and a half years later, on 2 December 1970, it was all change. When people had been through the experiment, in its third winter, it was resoundingly defeated in the Commons—let me reiterate—by 366 to 81.

Portugal, as we have mentioned, has dawn around the same time as us. Regardless of what the clock might say, the sun rises in Portugal at around the same time as it does in London—when I say us, I mean this House. Portugal changed back after its experiment in the 1990s, and the 1968 arguments seem to be based on today's model of simulated modelling and supposition. When we have empirical examples, I feel that the arguments are not borne out at all.

That was the past and now we have a raft of statistics to add to this version of the time change argument. However, in my office we have taken some time to look at the statistics and we have compiled a number of arguments that apply to our situation. First, the arguments about potential increases to the tourism sector are based on several assumptions, most importantly that people here and abroad will choose to spend their disposable income on holidaying in the UK. Surely a bigger factor is temperature. After all, it is winter. If the argument about tourist numbers is so strong, why not move the clocks two, three or four hours, as I have said? Why not have dawn at 5 o'clock?

Naomi Long (Belfast East) (Alliance): On the point about people wanting to barbecue, for example, at half 11 at night, it is quite possible to do that on the north coast in Northern Ireland. Not many people do, generally, because it is quite chilly at that time of night.

Albert Owen: Put a cardy on.

Mr MacNeil: Once again, we have the voice of experience versus the voice of hope. Experience often triumphs over hope, I have to say. I worry that hon. Members who mention carbon savings in one breath are talking in the next breath about having a barbecue late at night. I wonder whether we have any data on the impact of the increased number of barbecues in Castle Point—or, indeed, in Ynys Môn.

The sleight of hand is that we are not moving the dawn about. We are actually moving ourselves by changing the clocks. Clocks, which started by measuring time, end up governing lives, and we are moving ourselves into the night. Such was the misery in the third winter that this House voted to end it with 366 votes. I would like to point out—I am looking at a couple of other highland Members—that even with the best will in the world we do not have 366 Members of Parliament from the Scottish highlands. Indeed, we do not have 366 Members of Parliament from the whole of Scotland. We therefore must conclude that the decision was made not on a Scottish basis, but on the basis of experience—and, I would say, grim experience—throughout the United Kingdom.

I have a letter here, and some people might think that it has come from Callanish in Lewis, from Castlebay in Barra, from Tobermory, from Isla or just from somewhere else in Scotland, but—no—it comes from Chester. It says,

"Dear Angus MacNeil,

I listened to you on BBC Radio 4's 'Costing the Earth' on Wednesday.

Please do all you can to defeat the moves to bring in year round summer time. In 1968-71 I was a schoolchild and we detested it"

the word "detested" is underlined—

"It was pitch black when going to school. (You may quote me on this detestation)."

I hope, Mr Roger Croston, that I have done you justice in doing that—*[Interruption.]* I was expecting an intervention. Any sound I hear, I expect an intervention.

On sporting issues, the same tourism study concluded that more people would go out if it was lighter later, but it also showed that the number of people participating in athletics was fairly constant during the year. The athletics events in which numbers fell were those that took place outside, such as sailing, which is also very temperature dependent.

Justin Tomlinson (North Swindon) (Con): Does the hon. Gentleman agree that although people who participate in competitive sport are probably fairly consistent in their participation, it is those with the "jumpers for goalposts" mentality—the people who take part in spontaneous sport—who will greatly benefit from lighter evenings?

Mr MacNeil: I am tempted to say that perhaps people should get up an hour earlier if they are that motivated. Let us assume for a second that the hon. Gentleman has an argument and that he is right—why not go for the compromise of five weeks either side? Without inconveniencing people in Scotland and perhaps in other areas, such as Chester, we could reduce the "winter" period by 10 weeks. That would help us on to a more secure stepping stone than the present suggestion.

Malcolm Bruce: Although I would support that move, does the hon. Gentleman not realise that one reason it would be resisted by other members of the European Union is that France, Spain and the Benelux countries are in the wrong time zone and could not tolerate the dark mornings being extended further back?

Mr MacNeil: I am grateful to the right hon. Gentleman for that intervention. He makes a point that I perhaps have not fully thought about, but it is worth putting on the record.

I have a serious problem with the proposition that lighter evenings will automatically increase the tourism money coming in to the various isles and decrease obesity—that is, that if it is lighter outside, people might want to get up and go out and exercise. There are various other reasons for doing that, however.

On the environmental aspects of changing the clocks, I have a problem with the arguments that changing the clocks will foster a decrease in energy use. We have not been able to find any domestic studies that use empirical data, but we have found studies from the United States that recorded the use of energy during daylight saving time. In 2008, a study was conducted in the state of Indiana. Indiana has 6.4 million inhabitants and, geographically, it is probably approximately the same size as the UK. Its GDP is comparable with that of this country. Indiana is interesting for this argument because certain counties were able to use daylight saving time whereas others were not.

The study found that household costs and energy consumption increased owing to people heating their homes in the colder winter mornings, doubtless wanting to rise to a warmer home to counter the feeling of darkness and gloom outside. The empirical data from Indiana say something different from the data we are hearing.

Nick de Bois (Enfield North) (Con): The hon. Gentleman cites many trials and much evidence in his speech, and he clearly feels passionate about this. By not voting for this Bill, however, is he not denying the one thing that really matters, which is for this provision to be tested in the United Kingdom for the people of the United Kingdom?

Mr MacNeil: If we could conduct a trial without going through the inevitable misery and changing back, I would agree. I am tempted to suggest that the hon. Gentleman conduct his own personal trial this winter and get up an hour earlier. He could come back to me in the spring and tell me how the experience went. I could see him in the autumn again and see whether he wanted to go through the trial once more. I wager that he would not, but I shall leave that suggestion as it is.

Darker mornings will mean sunrise at 10 am for many people. Indeed, London's sunrise will be at a quarter to 9. Let us consider some of the sunrise times in the UK this morning, starting in Scotland. In Aberdeen, sunrise was 8.26 am, with a length of day of seven hours and five minutes. In Edinburgh, it was 8.22 am, with a length of day of seven hours and 20 minutes. In London, it was 7.46 am, with a length of day of eight hours and seven minutes—almost an hour more daylight than in Aberdeen, due to the effect of latitude. That would leave London with sunrise at a quarter to 9. Let me draw attention to the west coast of Scotland. Stornoway had sunrise at 10 to 9 today, which would of course become 10 to 10. Tobermory, which some people might think is quite close to Stornoway, has a difference of 13 minutes in its sunrise, which is 13 minutes earlier, and sunset is nine minutes later.

Angie Bray (Ealing Central and Acton) (Con): The hon. Gentleman cited some times, but how long does that situation last in those places?

Mr MacNeil: The hon. Lady leads me nicely on to the next part of my speech. In this, I am not only a Scottish nationalist—I feel the mantle of English nationalism, too. I care for the good people of England and I care that for two months of the year, in the area north of Manchester, they would not see sunrise before 9 o'clock in the morning. Somebody has to speak up for the good people of England and I am happy to do that, come what may.

Sir Alan Beith: I should hate to leave the hon. Gentleman with that burden unaided. Do his constituents, like mine, have the experience of seeing many children waiting at the roadside for school transport? Some are dropped by taxis from more remote locations and left to wait for the school bus. One of people's real concerns is that if the clocks were changed, that would have to be done in the dark on many more occasions.

Mr MacNeil: The right hon. Gentleman has made a very good point. That is also one of my concerns, but I should like to see a compromise. I wish that others would meet me halfway, rather than railroading us into a situation that we would not enjoy.

Let me return to the issue of Indiana for a moment. The Indiana experiment showed that people spent an additional £5.5 million on energy—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The hon. Gentleman mentioned a compromise. He has been speaking for quite a long time, and he has the right to do so, but many other Members wish to speak as well, and I know that he wishes to allow them to do so.

Mr MacNeil: One thing that I am certainly not trying to do, Mr Deputy Speaker, is talk the Bill out. That is not a parliamentary tactic of which I approve. However, some may think my speech long-winded, and I apologise for that. At your instigation, Mr Deputy Speaker, I shall try to proceed a wee bit more quickly.

Safety is an important aspect of this issue, but data relating to the saving of lives are often based on projection. As was pointed out by my hon. Friend the Member for Banff and Buchan (Dr Whiteford), changes were made in the 1960s. We know that the most dangerous hours of the day are 8 am and 3 pm. The Bill would send 8 am further back into the darkness, although 3 pm would probably not be affected, as it is always light at that time.

Mr Bradshaw: Is it not time that we scotched the myth about the rate of road accidents in Scotland during the experiment? Does the hon. Gentleman accept that the overall reduction in the number of fatalities and serious injuries was 11% in England and Wales and 17% in Scotland—a significantly higher proportion? A very small increase in the north of Scotland was massively outweighed by the overall decrease in the mornings throughout Scotland.

Mr MacNeil: As was pointed out by my hon. Friend the Member for Banff and Buchan—the new Madame Ecosse—the statistic was greatly affected by the introduction of seat belts, speed limits and drink-driving laws. Let us, however, consider the difference between accident rates in Berlin and Paris, which are in the same time zone although, as one is further west, it presumably has lighter evenings. The accident rates in Paris and Berlin are 31.8 and 14 per million of population respectively, which shows that there are not necessarily fewer accidents where there are lighter evenings. When we compare the rate in Paris with that in London—*[Interruption.]* Members may not like it, but these are the data. The accident rate in Paris, with its lighter evenings, is 31.8 per million, whereas in London it is 23.9 per million. The evidence is certainly not conclusive; it should be balanced with other evidence.

Rebecca Harris: When it comes to accident statistics, the only evidence that matters is the differential between what happens in the darker mornings and the lighter afternoons. All the hon. Gentleman's arguments point in one direction: the Government should conduct a proper cost-benefit analysis. Every point that he has made demonstrates that there are genuine concerns in parts of the country, and that is precisely why we should put the argument to bed once and for all—unless, as I suspect, the hon. Gentleman rather welcomes this annual discussion.

Mr MacNeil: I have to say that I would much rather be in the outer Hebrides than in London on this Friday morning.

Mr Reid *rose—[Laughter.]*

Mr MacNeil: I have probably just missed a decent quip in the Chamber, but I am happy to give way to the hon. Gentleman.

Mr Reid: I am sorry to keep the hon. Gentleman away from the flight home to Barra, but he is right about the accident statistics. The experiment lasted from 1968 until 1971. I have the official Department for Transport figures relating to deaths on the roads in Great Britain. There was indeed a substantial fall between 1967 and 1968, but, as the hon. Gentleman pointed out, that was due to the introduction of the breathalyser. If the clock change had been responsible for a reduction in the number of deaths, there would have been substantial increases after the experiment finished, but that did not happen.

Mr MacNeil: The hon. Gentleman has neatly completed a picture of which we had probably been given only half. The other half is very interesting.

I agree with the hon. Member for Castle Point about the need for an analysis. I have given facts relating to Paris, Berlin and London. However, I do not want any analysis that would involve changing our clocks and making us undergo three years of misery before the clocks were inevitably changed back again. It seems that once the memory of 40 years ago has dimmed, a new generation must learn painfully and slowly over three miserable winters that this is the wrong thing to do.

I am trying to proceed with my speech reasonably quickly, Mr Deputy Speaker.

According to a 2005 survey by Ipsos MORI, Scots are in favour of lighter evenings. That is true: we are in favour of lighter evenings. However, only 19% of Scots who were polled want the clocks to move back permanently. Of course, some people might be in favour of Christmas every week, but they realise that that cannot happen. Similarly, we might want lighter evenings, but we know that the earth tilts. We know that we will have cold and frost.

Jacob Rees-Mogg (North East Somerset) (Con): I have been enjoying the hon. Gentleman's speech enormously. I think that he has identified the nub of the problem, which is simply that there is not enough daylight in the winter, and there is remarkably little that Government—or even a sovereign Parliament—can do about it.

Mr MacNeil: I welcome that sensible point from a new Member whom I admire enormously. I want to put on record the fact that I have really enjoyed his contributions. I think that I detected some agitation among Labour Members when I paid the hon. Gentleman that compliment! As I was saying, people might be in favour of x, y or z, but they know exactly how things pan out in reality.

The National Farmers Union of Scotland has discussed the issue. Incidentally, when Donald Stewart spoke about the issue, he said that he presumed "NFU" to refer to the National Farmers Union of England and Wales—which, for some reason, does not brand itself properly—rather than the National Farmers Union of Scotland. Anyway, if we are to believe newspaper reports, it seems that every farmer in Scotland is in favour of change. One newspaper stated:

> "Scott Walker, NFU Scotland policy director, said today that the organisation had softened its stance towards the move, which would see clocks shunted forward by an hour throughout the year while retaining the changing of clocks forward in March and back in October.
>
> 'If people can put a good argument forward to us as to why there should be change, we're not going to be the ones who stand in the way of that change, if it's for everyone else's benefit'".

That is not a resounding "yes" to change; it is only a "yes" to listening. I, too, am willing to listen, but I ask those on the other side not to indulge in a kamikaze leap—

Ben Gummer (Ipswich) (Con) *rose*—

Mr MacNeil: I hope that the hon. Gentleman is not going to indulge in a kamikaze leap.

Ben Gummer: The hon. Gentleman is manfully presenting arguments against what seem to be manifestly sensible reasons for moving the times of day. May I put to him an argument that has not been put so far? The unofficial opposition to the Bill appears to have been mobilised by Mr Peter Hitchens. Is that not the clincher in favour of a successful passage for the Bill, or does the hon. Gentleman wish to find himself in alliance with Mr Hitchens?

Mr MacNeil: I am not very familiar with Mr Peter Hitchens. I believe that he writes in *The Times* or the *Daily Express*, or perhaps the *Daily Mail*. I have heard that Mr Peter Hitchens is involved, but I have had no contact with Mr Peter Hitchens, either positive or negative. Perhaps the word "kamikaze" could be attached to Mr Peter Hitchens; I have no idea. However, if Mr Peter Hitchens is on my side, I welcome that. What an eminently sensible man Mr Peter Hitchens must be. *[Interruption.]* I have just been told by my hon. Friend the Member for Banff and Buchan that I did not want to say that. Hansard, strike it from the record! *[Laughter.]* It seems that Mr Peter Hitchens has been a torpedo to my argument, whoever he is.

I have raised all those issues in order to challenge data that have been used to suggest that opposition to this idea has all but evaporated. It has not evaporated. Eminently sensible members of all parties—and, it would seem, eminently sensible scribes in certain newspapers—are backing the argument against this move.

The Bill offers an even-handed new approach, save one part. It has much merit therefore, and the hon. Member for Castle Point has conducted herself very well in making her arguments, and I have enjoyed engaging in discussion with her. Changing the clocks will definitely advantage the south of England, while sunrise in Manchester and areas north of there will be after 9 o'clock for two months of the year. I was therefore surprised to note that there is no geographical requirement regarding the membership of the commission that will implement the change in the clocks. I hope—indeed, I am sure—the Bill will not pass, but under its provisions the commission's membership would be selected by the Business Secretary, and we could have a commission comprising 12 people from London, Dover or Blackpool, for instance.

There is also no provision in respect of the Scottish Government or Parliament, and I was very pleased to hear the hon. Member for North Thanet (Mr Gale) arguing for more powers for the Scottish Parliament. I say to him, "Join me, brother, and let us have all powers pertaining to Scotland moved from here to Holyrood", which is the rightful place and the most democratic forum in which to discuss Scottish matters. The hon. Gentleman might be coming my way a little bit. I welcome that and hope that he will move further in my direction.

Mr Gale: I do not want to go too far off-piste, but I happen to be in favour of four national Parliaments and a United Kingdom Senate. The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) has not yet mentioned whether this matter has been discussed in the Scottish Parliament, and whether the issue of time zones has been considered.

Mr MacNeil: I understand that it has not been debated in the Scottish Parliament, because they think this is one of the normal Westminster convulsions that happen from time to time. I am not sure whether people there are taking what is happening in Westminster particularly seriously. That might surprise people in Westminster of course, but for many people Westminster is not the most serious Parliament in Scotland. There is another, which deals with health, education and many other matters: the Scottish Parliament.

There is no provision to ensure that the Government or Parliament of Scotland—or, indeed, the Governments of Wales or Northern Ireland—are asked to agree, or are even consulted, on these potential moves, which

[Mr MacNeil]

would make Scottish mornings colder and more dangerous, as my hon. Friend the Member for Banff and Buchan has described very well.

I realise that I have been speaking for about half an hour. I am not here just to rant against the data. I have tried to provide reasoned argument. I am not here to talk the Bill out either; I would not do that. I am not here for purely selfish Hebridean reasons. I am here for Scottish reasons, and for English reasons as well. I understand more than most the effect of darker mornings. As the right hon. Member for Gordon (Malcolm Bruce) said, when this Bill is foisted on the rest of the UK, other people will understand that too. I would propose changing the clocks for five weeks either side of the middle of winter, thereby maximising the light in the darkest part of the year.

Mr David Hamilton: I understand fully that the hon. Gentleman is making these arguments because of where he comes from. If I came from that constituency I might make the same arguments. However, if the Scottish Parliament were to debate the matter and the outcome of the vote was that we should keep things as they are, would he want the Scottish Parliament to put in place separate time zones in the UK?

Mr MacNeil: I feel the hon. Gentleman is coming on to good territory in that he seems to want to give more powers to the Scottish Parliament. It is a welcome move: come with me, brother, we are heading in the right direction.

The situation is confusing. Why is there this asymmetrical period of winter change of seven weeks before mid-winter and 14 weeks after? I have never received a reasonable explanation for that. If we could have one, or if we could deal with the European directive I mentioned earlier, we might be able to make some progress.

I have enjoyed making this contribution, and the numerous interventions.

11.33 pm

Mr Tobias Ellwood (Bournemouth East) (Con): It is a pleasure to follow the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), and I will address some of the points that he made later.

The principal argument for considering changing the clocks is simple: it is about how we can best align our lives to maximise the benefits of daylight. The idea is not new, of course, but the circumstances in which we are debating the matter are new. I congratulate my hon. Friend the Member for Castle Point (Rebecca Harris) on selecting this subject for her private Member's Bill and on outlining how the pace of change in our modern busy world makes things different from when the subject was last considered. The second key point is that there is new evidence to support the clock change. Thirdly, the public are more educated in their views than ever before, and that is the case across the country, from Bournemouth all the way up to the constituency that the hon. Gentleman who has just spoken represents. That is reflected in the diverse range of constituencies represented by the Members who are attending this debate. The hon. Gentleman said there were an awful lot of voices against this move in Scotland. I am sorry his hon. Friends were not able to find the time to join him and present themselves and their arguments today.

I first came across this issue when I was shadow tourism Minister. I looked at it without prejudice or passion, and it became clear that it is very important for the tourism industry—I say that just as the hon. Member for Bath (Mr Foster) departs. The Tourism Alliance has done a lot of work on this. However, I stepped away from the specific issue of tourism and thought about how it might benefit or damage the whole of the country.

It is clear that there would be huge benefits in many corners of our lives. I studied the change's potential impacts on British society as a whole and why the last experiment was unsuccessful. It is clear that Britain is in a different place today. Our lifestyles, technologies, industries and priorities have fundamentally changed since the last experiment. Most people rise after sunrise and stay awake long after sunset, wasting one of the few things in life that are free: daylight. Essentially, this subject is about how we align our lives with the movement of the sun across the heavens.

Mr Matthew Offord (Hendon) (Con): I believe my hon. Friend's constituency contains a community of orthodox Jewish people, as does mine in Hendon. Would he like to speak about how the proposed changes would affect them, particularly in the winter, but also in the summer when their days of prayer are dictated and determined by sunrise and sunset?

Mr Ellwood: My hon. Friend raises an important point. There are many groups, such as the one he has just mentioned, who have concerns in respect of various aspects of life, and those matters need to be weighed up in deciding on the bigger picture of whether this change is worth making. The whole purpose of having this debate and allowing the discussion to progress and the Government to take an interest, is to balance out the various arguments and see whether the change is in the interests of Britain as a whole.

The idea is not new. It is not only various hon. Members of the past who have brought it forward. The Romans adapted their way of life to when the sun was in the sky, using water clocks with various weights to make sure they were up when the sun rose and went to bed when it set. When Benjamin Franklin was ambassador to Paris, he commented on the fact that most Parisians did not get up until midday. He then realised—this is a capitalist viewpoint—that more revenue could be made by putting extra taxes on candles, because they were needed in the evening. He was also encouraging people to take advantage of the free sunlight, however, and he came up with the saying, "Early to bed and early to rise makes a man healthy, wealthy and wise."

The advent of our railway system moved us on from local timings in towns and villages, as we now had to synchronise time across the entire country. This was measured at the Greenwich observatory, and gave rise to the now familiar Greenwich mean time. Greenwich was referenced as zero degrees longitude and 24 time zones were created around the globe, each covering exactly 50 degrees longitude, but as has been pointed out, not everybody adheres to that. Spain is in alignment with the UK, but it chooses to operate on continental time.

Joseph Johnson (Orpington) (Con): I hope my hon. Friend will pay tribute in his brief history of the daylight savings movement to Mr William Willett of my constituency of Orpington, who was among the very first to bring this idea to the centre of national debate. Back in 1907, the sight of drawn blinds in the homes of Petts Wood, a ward in my constituency, where he saw residents sleeping as the town basked in sunlight, persuaded him to write his highly influential pamphlet, "The Waste of Daylight", in which he argued forcefully for the changes that were introduced just a few weeks after his death in 1915, during the first world war. I hope my hon. Friend will commend his hard work in bringing this debate into our national life.

Mr Ellwood: I am grateful to my hon. Friend for paying tribute to his former constituent. It is also worth mentioning Robert Pearce, MP, who was a friend of Mr Willett, and who then took this idea on. Mr Willett was a keen golfer and he was horrified that the golf courses he used closed down when it got dark. He wanted them to stay open. That was the initial thought that put the idea into his head of taking advantage, from a leisure perspective, of the evening sunlight. So we should thank Robert Pearce for first bringing this matter to the attention of the House.

I wish to bury some of the myths and some of the headlines that we see in some of the press. We are not putting anywhere into the dark; we are not getting rid of any sunshine in any form. We are transferring light from one part of the day to another—from the morning to the evening. We are saying that, on balance, it is more useful to have that light in the evening than in the morning. Some extreme cases have been mentioned, but for much of the year—nine months of the year—we sleep through this asset. When we awake the sun has been out for an hour or more. If we suppose that an average working day ends at 5.30 pm, a clock change would result in about 300 extra hours of daylight a year in London. The figure for Glasgow would be 175 hours and the one for Shetland, at the very north of the UK, would be 160 hours. That change would be life-changing and would have an impact on everybody. It is useful to have that extra daylight at the end of the evening to do whatever one wants to do.

Bob Stewart (Beckenham) (Con): The crucial thing is: will we save lives by changing the hours at which daylight starts and daylight ends? We should check that and the only way we can do so is to give this a trial, 40 years on from the previous one. If we save one life by changing our clocks, it is worth it.

Mr Ellwood: My hon. Friend makes one of the most powerful points for this argument, and it cannot be refuted by any Member or any person in any part of the country. Lives will be saved, as they have been proven to have been saved, through the clock change. Let me further the argument on how our lives will change. Schoolchildren would also benefit if we transferred that hour of light from the morning to the afternoon. In London, they would benefit from 233 hours of available extra daylight between 4.30 pm and either sunset or bedtime taken at 8.30 pm. That is 233 hours when activity could take place, after-school events could happen and, as my hon. Friend just mentioned, people could travel far more safely than they are able to do when it is dark.

Those arguments are also why Help the Aged says that it wants this change. At the moment, darkness acts as a guillotine on when the elderly are out; as soon as it gets dark, they lock the doors and close up shop. They are denied the opportunity to spend time in the town centre doing recreational activities or working in the garden—darkness comes and that is it.

Mr Reid: We had an experiment in the 1960s and there was no clear outcome in the studies of the road accident statistics. The Home Secretary of the day, Reginald Maudling, said:

> "The figures are not clear enough to base a decision upon." [*Official Report*, 2 December 1970: Vol. 807, c. 1335.]

So we have had the experiment and no clear figures emerged, because of other factors, such as breathalysers, seat belts and so on. Another experiment would simply result in the same unclear figure.

Mr Ellwood: Let us just focus on that debate for a moment. Reginald Maudling did make those comments, but he also read out some statistics that showed that the number of deaths and injuries decreased during the period of the trial. What actually happened, as has been confirmed by colleagues who are now in another place, is that the farming industry—that powerful lobby—pressurised many Conservative MPs by saying, "If you want those precious poster sites in our fields for the general election, you must vote against this." That is one of the reasons why many chose to follow their heart rather than their head and said, " We should oppose this motion." The hon. Gentleman makes a valid point, which is why we are calling for more information. We are encouraging the Government to examine the matter more closely, leading up to a trial.

Mr MacNeil: I am intrigued by that last contribution. Has the hon. Gentleman uncovered corruption in the Conservative party 40 years ago?

Mr Ellwood: I think I will gloss over that and move straight on to some of the other areas that have been mentioned.

The roads issue is important. There were 1,120 fewer deaths and injuries during that trial period. That is an important piece of evidence. I say to the hon. Gentleman that it is also important to Scotland, because there is a 27% higher risk of an accident in Scotland; more people walk than use cars and so on, so there is a greater likelihood of people being in danger, particularly children. As I said in an intervention, the Cambridge study said that had the experiment continued, more than 3,500 people who died during that period would be alive today.

Dr Whiteford: Does the hon. Gentleman accept that he is simply displacing the problem from one end of the day to the other? Children are affected not only by light and dark, but by hot and cold. We have to examine the whole aspect of the climate, not just one isolated bit of it.

Mr Ellwood: I congratulate the hon. Lady on the method and the style with which she is putting her arguments forward. It is very important that we have a full debate on these matters. When children go to school in the morning the people using the roads are normally

[Mr Ellwood]

going to a destination with which they are familiar; they are either going to work or to school, and they have used these roads before. So even when they are doing so in the dark, they are making a safer journey than those they make in the afternoons and evenings, when our world gets far busier and far more complex. That is when the accidents happen. The hon. Member for Belfast East (Naomi Long) shakes her head, but she cannot refute the current statistics, which show that three times as many accidents happen in the evening rush hour as in the morning rush hour. That is a powerful argument.

Naomi Long: I wrote to Translink, the main public transport provider in Northern Ireland, in relation to this debate and it took the contrary view. Translink said that if it were darker in the mornings, when the rush hour is much more concentrated in Northern Ireland, that could lead to more accidents than if it were darker in the afternoon, when the rush hour is more staggered. The hon. Gentleman can talk about his evidence, but other professionals in the field see things slightly differently.

Mr Ellwood: I looked carefully at the statistics for Northern Ireland, because it is important to include all parts of the United Kingdom, but I am afraid that I did not recognise those statistics that the hon. Lady cited. I would be happy to speak to her about them after this debate. It is important that we get these issues right. A lot of statistics have been thrown around today and were the Government to push this proposal forward, it would be important for them to carry out their own study and present that to Parliament.

A reduction in crime has also been mentioned in relation to this proposal. The Home Office British crime survey has indicated that a clock change would lead to a 3% reduction in vandalism and petty theft. The right hon. Member for Exeter (Mr Bradshaw) raised the health and well-being issue, and people are happier and more energetic in the longer and brighter days. Conversely, our mood and spirit declines, and sickness rates increase, during the shorter, duller days. On average, we enjoy about four hours' spare time a day—that is time when we are not working, travelling to work or sleeping—yet three of those hours are experienced after sunset. That suggests that we are not aligning our lives properly. There is also a 60% increase in the level of television watching when it gets dark, so there is strong evidence to support a clock change. I can see that you are looking at me, Mr Deputy Speaker, but I just wish to touch on some other issues.

Mr Greg Knight (East Yorkshire) (Con) *rose—*

Mr Ellwood: I will not give way for now and I shall make some more progress, because Mr Deputy Speaker is giving me that look. Obesity—this has nothing to do with looking back at Mr Deputy Speaker—is an issue with which we need to be concerned in the UK. About 25% of the nation are now clinically obese, which is costing the NHS about £2.3 billion a year. Some 50% of the population in Scotland are predicted to be obese by 2050 unless something changes, such as our providing a greater period in which outdoor activities can take place after school and after work.

The tourism argument has been well made, but I just put on the record the fact that I support the call by the Tourism Alliance for a clock change. The arguments about CO_2 emissions have also been put forward; in those terms, the clock change would result in the equivalent of more than 200,000 cars being taken off our roads. That is a major issue and I am pleased that the concept behind the Bill is receiving the support of the Chairman of the Environmental Audit Committee.

Mr Knight: Has my hon. Friend also seen the report by Cambridge university that concludes that home energy consumption would also decrease by about 2% as a result of this change?

Mr Ellwood: My right hon. Friend makes an important point, which is is worth expanding on. All fuel bills would go down by about 5%, and as fuel poverty is a concern, that is a relevant issue. We need to recognise that we are an importer of electricity. When there is a spike in demand, either we have to buy it in from places such as France or our easy-to-start-up coal-fired power stations come on line. They are dirty and they increase our carbon dioxide emissions. By reducing our net requirement by about 2.2%, we would remove the need to resort to those nasty, dirty coal-fired power stations.

Malcolm Bruce: The hon. Gentleman is quoting evidence very convincingly, so I shall quote some evidence:

"National Grid has also recognised that if the UK is on the same time as France, a loss of capacity or severe weather"

would push up energy prices here because we would be competing with France for our needs at the same time.

Mr Ellwood: The right hon. Gentleman's point is now on the record.

We need to ensure that we do not resort to using coal-fired power stations, and that aim can be achieved through the clock change.

Ben Gummer: The right hon. Member for Gordon (Malcolm Bruce) has just raised an important point about capacity, but that is entirely to do with generating capacity—an inheritance from the previous Government, I am afraid—and nothing to do with daylight saving time.

Mr Ellwood: I am grateful for that clarification.

A time change would bring huge benefits for business and overseas trade. As part of my work as the shadow Tourism Minister I spent some time in Scotland and it was interesting to meet Scottish business people, who were very keen to have an alignment of timing. Currently, 62% of our exports and 50% of imports are within Europe. When we go to work, the Europeans have already been at work for an hour, we break for lunch at different times so two hours are lost there and then we lose another hour in the evening. Four hours a day are lost because of the failure to align our times.

One might say that that is where the idea of Berlin time came from. Let me say a word about Mr Peter Hitchens.

Mr Nuttall: This might already have been mentioned, but is it not more accurate to refer to it as Gibraltar time?

Mr Ellwood: It is, but that point has been made already.

Mr Foster: I apologise because there are those who will get hung up on the European issue, but would not a time change also benefit our trade with other countries, not least the emerging countries, China and India?

Mr Ellwood: I am grateful to my hon. Friend for making that point. He has been a passionate supporter of a clock change for some time.

But let us get back to Peter Hitchens. He is one of the few voices that are against the daylight saving, but I believe that he now acts as a drag anchor against that great British newspaper the Sunday mail—*[Interruption.]*—I am sorry; *The Mail on Sunday*. He is anti-change; he is anti-technology, so he abhors the idea of moving the clocks. That is slightly odd. Because he does not like inventions and technology, one would have thought that using the light bulb less might appeal to him, but he does not put that argument forward. He would rather put forward a wartime rhetoric with references to Berlin time to foster prejudice against the Bill.

"Why Berlin time?" it has been asked. "Why not Gibraltar time, Madrid time, Paris time or Rome time?" Clearly, those descriptions would not conjure up the same worrying image as the UK crumbling to the mighty powers of Berlin after the sacrifices that we made in two world wars. I say to him, "Peter, you are potty. Clearly, you are a very, very angry man and stuck in the past. You are a cross between Alf Garnett and Victor Meldrew but without the jokes." He is a restless regressive: the King Canute of politics, fighting the tide of change. He will never lose sight of the past because he has chosen to walk backwards into the future. This is nothing to do with Berlin or wartime images. The only connection with the war is the fact that we first adopted a time change during the war because it was useful. [HON. MEMBERS: "Churchill time!"] Yes, that is what we will call it—not Berlin time but Churchill time!

To summarise, moving the clocks forward would provide the entire country with about 200 hours of extra daylight in the evenings—after a normal working day for adults and after the end of school for children. That would change our lives. It is hard to imagine a more simple, cost-effective piece of legislation that would more dramatically change our way of life for the better. Sunshine brightens our day, our lives and our spirits; it makes our world happier. We should utilise this valuable resource to coincide with the period of the day in which our modern world is at its busiest and most dangerous. Carpe diem, Mr Deputy Speaker; let us seize the day.

Several hon. Members *rose*—

Mr Deputy Speaker: There are many speakers, so a little brevity will be helpful.

11.55 am

Caroline Lucas (Brighton, Pavilion) (Green): First, I congratulate the hon. Member for Castle Point (Rebecca Harris) on proposing the Bill and refusing to be discouraged by the failure of previous attempts in the House to introduce daylight saving time. I am extremely glad that she has proposed the Bill, because the urgency of the problems of climate change and fuel poverty means that the arguments for bringing the nation's clocks into closer alignment with the hours of daylight are stronger than ever. Moving our clocks forward by an extra hour throughout the year would bring a range of benefits, as we have heard; but I would like to draw particular attention, again, to the substantial reductions in energy consumption and carbon emissions that would result from the simple and effective measures in the Bill.

Daylight saving time would cut consumption, particularly of domestic fuel, in a number of ways. First, it would lower the demand for electricity for lighting. Secondly, it would smooth out fluctuations in demand, particularly in the two daily peaks in the morning and in the afternoon, which reduce the efficiency of power generation. Thirdly, because there would be higher temperatures during the evening period of peak demand in the colder months of the year, there would be a lower demand for domestic heating.

Mr MacNeil: The hon. Lady is, as we would expect, making an argument based on the effect of a time change on carbon emissions. If evidence was to appear—empirical evidence rather than projections—from Indiana, for example, that it would cost more, would she change her mind?

Caroline Lucas: If it were to be proved that such a change would make carbon emissions worse, I would reconsider my position, but I think that is highly unlikely to happen. The hon. Gentleman keeps talking about empirical evidence, but the only way for us to get relevant empirical evidence is to pass this Bill now and have the cost-benefit trials that we are talking about.

Mr Reid: Surely, if we passed the Bill, we would be more active at the coldest hour of the day—the hour before dawn—and would therefore use more fuel for heating at that time. The Building Research Establishment investigated this and found that there would be an increase in domestic heating if the Bill were passed.

Caroline Lucas: That was an early intervention in my speech, and if the hon. Gentleman listens to the next bit, some of these questions will be answered, because I do not agree with his point.

On reducing demand for artificial lighting, about 13% of domestic electricity consumption and about 30% of electricity consumed by commercial and public buildings currently goes on lighting. An extra hour of evening daylight would reduce the need for domestic lighting as people arrived home from school or work. Recent research by the Policy Studies Institute shows that the effect of the proposed clock change would be to lower demand for domestic lighting by as much as 9%. In other words, the Bill would lead to household savings of nearly £180 million per year on electricity bills alone. A common argument—I expect this will be made, so I will pre-empt it—against daylight saving time is that any drop in demand for evening lighting will be cancelled by the need for extra lighting on darker mornings. That may be true during the winter months, when the days are shorter, but the Bill proposes an adjustment of clock time throughout the year, which means less need for artificial lighting in the evenings all year round.

[Caroline Lucas]

Regarding commercial demand for evening lighting, it is more difficult to quantify the potential savings for offices, workplaces and public buildings, as patterns of lighting often vary widely from sector to sector, but again, the studies indicate that overall demand from commercial customers is also likely to be lower. That aspect must be subject to detailed research during the initial trial period proposed in the Bill, as it offers the greatest potential for a nationwide reduction in domestic carbon emissions.

My second point is closely related to the first. Daylight saving will cut carbon emissions from power generation because it will even out the daily peaks in demand for electricity. For power companies, the late afternoon peak period determines the maximum number of power stations that are required to be on stream to match consumer demand. Currently, the extra capacity required for that short period of peak demand comes from inefficient and carbon-intensive sources such as oil-fired stations and pump storage facilities or, as has been said, by imports from France, which can be an expensive alternative.

The introduction of daylight saving would reduce peak demand for electricity on winter evenings. During that famous 1968-71 experiment with retaining British summer time throughout the year, the evening peak was reduced by 3%. Research carried out by the university of Cambridge calculates that lighter evenings now would reduce peak demand by up to 4.3%. The electricity industry also acknowledges that a reduction in evening peak demand would reduce carbon emissions by avoiding the need to keep inefficient and polluting spare generating capacity on stream.

The university of Cambridge study calculated that a move to daylight saving would mean a drop in CO_2 emissions from power stations, across the UK as a whole, of about 450,000 tonnes a year. That is the equivalent of taking off the roads about 200,000 cars. There would also be a significant reduction in power companies' generating costs, both for resources and for the transmission and distribution infrastructure.

In addition to reducing demand for lighting, daylight saving also offers potential for reducing fuel costs and carbon emissions from heating. Domestic demand for heating is highest from November to February. The PSI study found that whereas there is little variation in average temperatures between 6 am and 8 am, when most people leave the house, temperatures tend to fall much more quickly in the late afternoon, around sunset, when people are arriving home from work or school.

Since the introduction of daylight saving will mean that it gets colder later, it is possible that households will be able to save money on their heating bills, while shrinking their carbon footprint. A small increase in fuel use for heating in offices and commercial and public buildings may be likely because of the earlier start to the day, but the resulting carbon emissions will be offset by reductions in domestic fuel use, so overall there is a clear reduction in carbon emissions.

Malcolm Bruce: Does the hon. Lady acknowledge that the fact that the temperature does not change much between 6 am and 8 am is because that is the coldest time of the day, and that is exactly the time when the cost of heating to compensate for the cold is at its highest, and that the energy consumption required at that time would be much higher under the changed rules than it is at present?

Caroline Lucas: No, I do not accept that, and I do not think that it is what the evidence suggests. One of the points that the right hon. Gentleman is making has more to do with the way in which we generate energy now and our spare capacity, rather than being a fundamental point to do with changing to daylight saving hours.

In all of the three areas that I have discussed—reducing demand for lighting, efficient management of peaks in demand, and reduced demand for heating—the greatest potential savings lie in household energy use. For this reason, I believe the Bill offers an easy and inexpensive means of combating fuel poverty. Many of us have constituents, often elderly ones, who struggle to pay their electricity bills and their heating bills. In Brighton and Hove, for example, more than 20,000 households, many of whom are my constituents, have been identified as fuel-poor—in other words, forced to spend over 10% of their income on energy bills.

I am not suggesting for a moment that the Bill will allow any of us to relax our efforts to eradicate fuel poverty, or to ignore our duty to take meaningful action on cutting carbon emissions. But the beauty of the Bill is that the action that it requires is simple, while the benefits that it will bring are profound.

Mr MacNeil: I hear the hon. Lady making an argument about what could/will/should/may happen. Can she point to an empirical example? I pointed to Indiana, where there was an increase in energy consumption of 1 to 4% and presumably, therefore, an increase in carbon, methane and so on. Where is the empirical study that she is talking about?

Caroline Lucas: The hon. Gentleman seems to be obsessed with Indiana. There may well be other reasons why the results in Indiana were shown to be what they were. As many people have said, we need to look at what the results would be in the United Kingdom. There is one way to find that out, which is to allow the Bill to progress to the next stage so we can establish that.

Dr Whiteford: I share the hon. Lady's concerns about carbon emissions. It is important that we take that into account. I also share the concerns about fuel poverty. However, my fundamental concern is that pre-dawn temperatures are so much lower than temperatures towards the daylight hours that people will spend much more on fossil fuel heating for their homes, rather than going out at a slightly less cold time of day. They will have to use heating and lighting in far greater quantities in the middle of the night.

Caroline Lucas: We can trade statistics across the Floor of the House for a great many hours and not become very much the wiser. The points that the hon. Lady makes are serious ones, but the way to explore the matter further is precisely to allow the passage of the Bill and to have the cost-benefit analysis that it proposes.

Mr MacNeil: Will the hon. Lady give way?

Caroline Lucas: No, the hon. Gentleman has spoken a lot. *[Interruption.]* Oh, he is going to agree. In that case, I shall let him speak.

Mr MacNeil: Perhaps I have misled the hon. Lady!

Why reinvent the wheel? Why not look to other parts of the world where the change has taken place and avoid three years of misery and the inevitable change that the UK and Portugal have experienced before? I say to the good people of England and Scotland, let us make sure that we learn from elsewhere before we go through such misery, because, I must regretfully tell the hon. Lady, the evidence from elsewhere does not support the supposition and conjecture at all.

Caroline Lucas: I thank the hon. Gentleman, who just reminds me never to trust him again! My giving way was an aberration, and it will not happen again.

I return to the point that any impact analysis of the Bill's proposed changes has to take place in the country and nations under discussion, not in another place with completely different variables that we cannot analyse or factor into our equations.

Charlie Elphicke: I congratulate the hon. Lady on her passion in setting about the Luddites who are against any change. Is not her argument bolstered empirically by the graph showing energy consumption on the last BST Monday and the first GMT Monday?

Caroline Lucas: I thank the hon. Gentleman for his remarks. Yes, indeed, there is plenty of empirical evidence to support our argument. As I say, however, the most important thing is to move the Bill forward so that, with the same figures on everybody's laps, we can have that debate and make the same analysis.

In closing, I reiterate what others have said about how the Bill will also benefit tourism in the UK. My constituency owes a great deal of its prosperity to tourism, with about £690 million entering the Brighton and Hove economy last year. In the wider south-east region, the sector employs more than 300,000 people, about 8% of the work force. The Bill enjoys broad and enthusiastic support from all sections of the tourism industry, and it is estimated that moving to daylight saving will boost tourism throughout the UK by about £3.5 billion and create 80,000 jobs.

That is just one more argument to add to the many that we have heard today about why, at the very least, the Bill should progress to the next stage of its passage through Parliament. The issue should be analysed properly. I think the cost-benefit analysis will demonstrate that the trial should go ahead, and as a result all of us will have a much better quality of life.

12.7 pm

Angie Bray (Ealing Central and Acton) (Con): I congratulate my hon. Friend the Member for Castle Point (Rebecca Harris) on the Bill, which I am happy to support, and the hon. Member for Brighton, Pavilion (Caroline Lucas) on her helpful remarks. I agree that the Bill is about scrutiny and debate as much as anything else, and I find it extraordinary that anybody would want to deny us the opportunity to have the issue sorted once and for all.

I have a long memory, and as colleagues have said we seem to go round and round on the issue. Every so often, it crops up again, we have a debate, it goes away because it is never properly decided on, and then it comes back again. I recall Sir John Butterfill in 1996 introducing just such a Bill.

Mr MacNeil: I should like to counter the hon. Lady. The issue has been decided on, but some malcontents return to the debate every so often. Perhaps that is one way of looking at it.

Angie Bray: The hon. Gentleman knows, however, that the problem with a private Member's Bill is that it has to get over certain hurdles on a Friday, and that depends on how helpful people want to be. Such issues do not receive the proper scrutiny that they deserve unless we bring everybody's concerns to the table and consider them in the round.

Sir John Butterfill, as Members said earlier, also attempted to introduce a private Member's Bill back in 1996, and that is when I first became involved with the issue, working with him on his legislation. His measure was called "daylight extra"; the one before us is called "daylight saving".

We have heard from the lighter evenings campaign, and Later Lighter—or rather, Lighter Later—has also commented.

Claire Perry (Devizes) (Con): I think that the measure should be called "Churchill time", as my hon. Friend so cleverly suggested today. She represents an urban constituency and I represent a rural constituency, and historically farmers have been against such a shift, but I have talked to the NFU, and it is at worst neutral on the issue, so does my hon. Friend agree that the world has changed significantly since it was last debated? Farming in Devizes has diversified; we have a huge tourism industry, and I have had nothing but very strong support for the measure, call it what we will.

Angie Bray: I thank my hon. Friend for that point. I was pleased to have a small role in suggesting the good title of "Churchill's time", which would be helpful to us patriots who get rather annoyed when people suggest that we are being pushed into this move by an EU directive or that we are going back to Berlin time.

Mr MacNeil: Perhaps rather than Churchill time, it should be Chamberlain time: appeasement is what is happening.

Angie Bray: It was Churchill who recognised that by going on to summer time, we would get more out of our factories and generally be more productive. That is why it was so useful during the war effort.

I introduced this matter as a member of the London assembly, because for Londoners, it is a no-brainer, although I appreciate that other regions have concerns and that not every region will think the same way. I was delighted to have full support from all parties on the London assembly. That was the one occasion when I

[Angie Bray]

found myself in complete agreement with the then Mayor of London, Ken Livingstone. It was a very happy, if unusual, occasion.

I was contacted before this debate by many of my constituents, urging me to speak in favour of the measure. We must remember that we are talking about a period of scrutiny and a trial, and are not prescribing what will come out at the end. This is an opportunity for everybody to put the facts on the table so that we can sort the matter out once and for all.

Even in the mid-1990s, when I was doing the legwork for Sir John Butterfill's Bill, I was aware that some of the old Scottish objections had less resonance. We have moved even further beyond that now.

Malcolm Bruce: I, too, was very much involved in that Bill. I took part in "On the Record", which had a live studio audience and a phone-in. At the beginning, the vote was two to one in favour of the idea, and at the end it was two to one against. Nearly all the representations against the idea came from the south and south-west of England, not from Scotland.

Angie Bray: General polling suggests that the public feel rather differently from that particularly small sample. At the time, Sir John Butterfill was ably supported by two Scottish Labour MPs, George Foulkes—now Lord Foulkes—and Brian Wilson, who made it clear that the measure would be good for a large part of Scotland. As we have heard today, the move can only be a good thing for the vast majority of the population in Scotland, as well as in England and Wales.

At the time, we were deluged by letters from Scottish farmers saying that the arguments were a bit patronising because they did have electricity in their barns. Some Scottish builders also wrote to us to say that they would prefer to drive to their job of work in the dark if they could have an extra hour of light towards the end of the day, because they would be able to do a longer day's work.

Dr Whiteford: One reason why farmers in parts of Scotland are less opposed to the measure than they were 40 years ago is that they now have heating and lighting in their steadings. That rather undermines the carbon saving argument. The farmers to whom I have spoken are less than enthusiastic; at best they are neutral. Clearly, they are not diametrically opposed, as they once were, but that is because they are now able to heat and light the buildings that they use in the early morning.

Angie Bray: In a sense, that makes the point that we are moving forward. All those arguments can be put on the table when we have the scrutiny.

I went to a Scottish university, St Andrews, and one of my flatmates never saw any daylight. Admittedly, he chose his own hours, but he used to go to bed in the early hours of the morning and rise at about 2.30 or 3 o'clock in the afternoon. By the time he had scrubbed his teeth and stepped outside, it was pitch dark again. A little light might have done him some good—he never looked a very healthy colour.

The number of organisations that support the Bill speaks for itself: ROSPA, the police, sports bodies—including my local group, the Old Actonians, which contacted me—the hospitality industry, the tourist industry, the CBI, environmentalists and many more groups say that we should have a serious think about how we set our clocks.

Call me a bit lazy, but I have to admit that were I to be involved in the scrutiny, I would not plump for Churchill's time exactly, because I think that would have been two hours forward in the summer. I am more of a compromise girl, and my view is that if we have a chance we should go on to permanent British summer time, not least because I get sick to death of changing my clocks twice a year. Having a settled time would be very handy, and it would be a compromise that would give us a bit of extra light in the afternoon when it would be used most effectively.

I am not sure that I want to move as far as keeping it light until midnight. When I was at St Andrews university it was light until about 11 o'clock at night at certain times, and that seemed a little bit too long for me. I am a British summer time girl and I am for sticking with it right through the year, but that is another argument that will be tested if we have scrutiny and a trial. That is the only way that we can move out of the revolving door of private Members' Bills. Let us have proper scrutiny, so that the matter can be decided once and for all for the benefit of our constituents and the country as a whole.

12.16 pm

Naomi Long (Belfast East) (Alliance): First, I congratulate the hon. Member for Castle Point (Rebecca Harris) on securing the opportunity to debate this issue. Things such as environmental, social and economic benefits, fuel poverty and so on have been discussed in detail, but it is disappointing for me as a Member from Northern Ireland that so little thought has been given to the impact on that part of the country. We are not just further north but further west than the constituencies of almost anyone else participating in the debate, and that would have an impact if the changes were to take place.

The hon. Member for Ealing Central and Acton (Angie Bray) said that it was important to allow debate, and that that was the Bill's purpose. I agree, which is why I will support the Bill, but I get slightly nervous when I hear the rather zealous opinions expressed against those of us who have concerns that we want considered. We are simply dismissed as though we were trying to hold back progress in some way.

Angie Bray: I would be very disappointed if the hon. Lady were to get the impression that I do not recognise the concerns. I think what I said was that all regions will have very different views, but that there will be an opportunity for those views to be put on the table and discussed and scrutinised properly. Of course all regions will have different views for different reasons, and I hope she accepts that I realise that.

Naomi Long: I do indeed, and the fervour that I referred to was not hers. However, some of the questions that have been raised have not been answered. For example, we must consider the coincidence of the last trial with the introduction of drink-driving regulations, speed limits and so on. That has not been effectively addressed by any of the proponents of the change.

Mr Marcus Jones (Nuneaton) (Con): Does the hon. Lady not agree that the argument about breathalysers and seat belts in relation to the last trial back in 1968 to 1971 is slightly flawed? Seat belts were not compulsory until 1983, and in my experience very few people used them before that time. In the same way, people did not take a great deal of notice of the breathalyser in the early days of the drink-drive laws.

Naomi Long: I do not entirely agree. Although it was not compulsory to wear a seat belt, they were fitted in cars in that period, and I think people did take note of the breathalyser, because prosecutions were made.

Mr David Hamilton: Will the hon. Lady give way?

Naomi Long: No, I wish to make some progress.

Those points are not the crux of my argument, because I do not wish to speak against the Bill. I am speaking in favour of it, but I am simply raising issues that I wish to be given due consideration as part of the trial.

It is important that those of us who come from the north and west of the UK have the opportunity to put our concerns on record. Rather than rehearse arguments that have been made, which have been incredibly English-centric with the exception of a few hon. Members sitting in front of me, I wish to talk about a specific issue in Northern Ireland.

Albert Owen: As a Welsh MP, I am certainly not English-centric. I made the point that we need empirical evidence from all parts of the UK so that we can formulate a proper argument. Indeed, the only data available on energy savings are UK-wide data from National Grid, but we need to consider whether there are different periods of peak demand within the UK. The hon. Lady is right that the Bill will get those data out into the open.

Naomi Long: Had the hon. Gentleman waited a few minutes, he would have heard me say that he was one of the few who said that studies are required specifically on the Northern Ireland context. To date, I have encountered very few specific references to the Northern Ireland situation in the correspondence and lobbying that I have received, but the Scotland situation has been addressed. The assumption is that the opposition to the change would come purely from Scotland, and little thought has been given to the impact on Northern Ireland.

I have received much correspondence in favour of the changes, but it has been generic and mainly on the GB situation—people in the south are very much in favour, but less so in the north. Scotland was at least addressed in that correspondence, but not Northern Ireland. Few have considered the impact on the more westerly and northerly areas of the UK, but we must take care to do so.

More importantly, there has been surprisingly little debate on this issue in Northern Ireland—it does not come to the minds of many people. In advance of today's debate, I took it upon myself to write to a small sample of representative groups to ask for their opinion, including the Federation of Small Businesses Northern Ireland, the Northern Ireland Council for Voluntary Action, the Northern Ireland Independent Retail Trade Association, the CBI and the Institute of Directors in Northern Ireland, Sport Northern Ireland, Translink NI, which is our largest public transport provider, the Age Sector Platform and the Ulster Farmers Union, from which I received a number of responses. None raised huge objections to the proposal, but all indicated that they had given the matter virtually no consideration. I do not believe that daylight saving is on the radar of Northern Ireland political debate.

Malcolm Bruce: The hon. Lady is making a very important point about northern and western areas. Have the people of Penzance considered what it will be like to have sunrise in mid-December at 9.14 am, half an hour later than it currently is in Belfast?

Naomi Long: Sunrise times are critical. Belfast will be less affected than the north coast of Northern Ireland, where the changes would be much more significant. In some places on the north coast, sunrise would be 9.50 am in mid-winter, which would significantly change people's quality of life.

Mr David Hamilton: I have come here today with an open mind, with no view on whether we should accept the proposal or not. I endorse what the hon. Lady said about daylight saving being a non-issue, certainly in my area. I have received one letter from a constituent who asked for things to remain the same.

On transport, there are millions and millions more vehicles on the road now than there were in the '60s, so would the change be worse now than it was then?

Naomi Long: I confess that I have not given a lot of thought to that, because I wanted specifically to look at the differential impact. I am prepared to accept that there is a body of evidence on the UK generally, but I wanted to consider the impact specifically on Northern Ireland. The different patterns of transportation and commuting in different parts of the UK also need to be considered, and I will come back to that.

I am happy to support the proposal for a study on the basis that the Bill does not state that that would lead automatically to a trial. There has to be a cost-benefit analysis first, and on that basis, I would be happy to support the proposal. I would wish to be convinced, however, because the Bill has many positive elements—they have been stated today. However, I need convincing that people in my constituency, and Northern Ireland as a whole, would experience those positive elements.

The effect of the time change on my constituency would be marginal. In winter, there would be a later dawn, but it would not be a hugely significant change. However, in the spring and summer, the change would undoubtedly be slightly beneficial in the evenings. In the north-west of Northern Ireland, however, sunrise in December, as I have mentioned, would be about 9.50 am, which by anyone's standards is quite late. The argument has been made that the gain in the afternoon would be significant, but actually it would be insignificant. Sunset would move from 4 pm to 5 pm, which is when people are travelling home from school. However, most of the commute will happen afterwards, so it will have little significance for commuter patterns in that part of Northern Ireland. That has to be looked at carefully.

[Naomi Long]

I wrote to Translink, and it responded:

"The proposal would effectively mean darker mornings for longer in the Autumn/Winter, particularly in the mornings when most traffic is on the roads at one time, i.e. schools, commuters. Darker evenings in our view are not as big an issue as the majority of our schools traffic is over by 16.30/17.00 and the evening traffic is more staggered, with most commuters making their homeward journeys between 17.30 and 18.00."

Translink is not convinced that the argument put forward necessarily holds true. A point has been made about more rural areas, where, for example, children stand at the roadside to be collected for school, but are picked up within the school perimeter on the way home. That is an important difference that raises significant issues.

Ben Gummer: These are important local issues, but surely we are dancing on the head of a pin. This is an opportunity to save 1.2 million tonnes of carbon per annum—the equivalent to 200,000 cars—and to make popular carbon savings. That is impossible in any other walk or area of life. Why can we not just take it?

Naomi Long: The hon. Gentleman misunderstands me—I am in favour of the Bill. It is exactly that kind of response to alternative views that fills me with trepidation, because it dismisses those who might wish to bring to the table other opinions and concerns, and those who actually wish to see some evidence. If the point of the Bill is to get evidence to support the case, it is bizarre that Members have decided already that they have all the evidence required. If they have, they should simply have introduced a Bill saying that we should go ahead and make the change. If we accept the argument that evidence needs to be gathered, surely we have to accept the argument made today that we have to look with an open mind at the impact on all the parts of the UK. With a background in engineering and science, I would prefer to enter any assessment with an open mind looking at all the evidence, rather than with a closed mind having already decided what the outcome will be.

Mr MacNeil: The hon. Lady has shed some light on why she supports the Bill—to get some analysis and gather information—although she has some reservations about the trial period. Has she had any indication from the hon. Member for Castle Point (Rebecca Harris) of the timeline, of when the analysis might happen and how many years the trial would last?

Naomi Long: The questions about the trial, the commissioners and the report are answered in the Bill. I am less concerned about the timeline than about the potential impact and the consideration given to slightly more remote areas. Those who live in the west of Northern Ireland often feel that they are ignored in the Northern Ireland Assembly, which sits in the east, where most of the population is based. Those living in the north and west of the UK are likely to feel even more that way if we overlook them when considering the impact of the Bill. It is important that we think about that.

There is a second issue that is unique to Northern Ireland—our land border with another region. That has to be considered carefully. There are cost and practical implications of the Bill. Many of the farms in Northern Ireland straddle the border—they do not exist entirely on one side or the other—so there are practical issues about time differences. Some people live on one side of the border, but go to school, church or community organisations on the other side. It is a very permeable border. Therefore, the proposal would have a significant impact on those living in the area. One Member said that they found it incredibly irritating to have to change their clocks twice a year, and I think that some people in Northern Ireland might find it irritating to have to do it three or four times a day.

It should also be noted that consideration is being given in the Republic of Ireland to a potential change—consideration that has been largely motivated, I think, by the debate here. However, we must recognise that we have no influence over the outcome of those considerations. We therefore need to proceed with caution. Although I accept the point made by other Members that it is not impossible to have different time zones within the UK, although not across these islands, it would not be a desirable position.

Albert Owen: The hon. Lady is making a strong argument. On the point about the land border, my constituency is closer to the Republic of Ireland than it is to England. The proposal would therefore have an impact on travel between west Wales and the Republic of Ireland. However, I happen to think that if the proposal went forward in the United Kingdom, Ireland would come into line with Europe, as well as with the United Kingdom.

Naomi Long: I would not wish to stand here and predict what the Irish Government might choose to do, because that is not a matter for this House, and I do not think that they would welcome our intervention. However, from my perspective, it would worry me if there was a time difference at the border, as it would have an impact on trade. A number of Members have emphasised the potential benefits of our being on, as it were, European time, but we should remember that our biggest trade partner is the Republic of Ireland, which is currently in the same time zone as us. Indeed, the fact that we are so inextricably linked was one of the arguments put forward in support of the recent economic bail-out, for example. We need to give detailed consideration to those issues. It would also help if we considered the cost implications when trialling the proposal, because it would affect basic things such as the timetabling of rail and bus services that operate on a cross-border basis. Those operating such services would incur the cost of having to re-do their timetables during the trial and, if it was not a success, having to re-do them again afterwards.

I am in favour of looking at the proposal. There are potential benefits to giving it consideration.

Sarah Newton (Truro and Falmouth) (Con): When I heard the hon. Lady say that she wondered what the people of Penzance thought, my ears pricked up and I ran here from my office as fast as I could. I cannot speak for the people of Penzance, but I can most certainly speak for the people of Truro and Falmouth. I want to reassure the hon. Lady, along with my hon. Friends, that since I have become a Member of Parliament, no issue has generated as much interest in my constituency. More people have contacted me on this issue than on any other.

Naomi Long: I thank the hon. Lady for that intervention, although it was not me who mentioned Penzance—I think it was mentioned in an intervention by another Member. I have to say that no issue has generated less interest from my constituents in my postbag. I have to be entirely honest about this: I think I have had one e-mail from a constituent on the issue. However, that would not dictate my view on it, because there may be merit in considering the proposal, even though it might not be a pressing issue for all my constituents.

I do not wish to prolong the agony any further. I simply wish to say that I support the proposal to conduct a study.

Zac Goldsmith (Richmond Park) (Con): I congratulate the hon. Lady on her principled position and would like to ask whether she agrees that all the opponents of the proposed change should nevertheless support the Bill, because it simply seeks to remove the ambiguities and uncertainties that she has highlighted.

Naomi Long: I have reached my own conclusion, and I am sure that other right hon. and hon. Members will have done likewise. I would like to see the detailed evidence and the cost-benefit analysis considered properly, so that we can make a fully informed decision. I am therefore happy to support the Bill. In doing so, however, I would urge those taking it through the House to consider the impact in Northern Ireland. Those of us from Northern Ireland might not account for a huge number of people in the House, but the proposal would have a significant impact on us. We also face unique circumstances, owing to our border with the Irish Republic. Both those issues should be considered in much more detail than they have been to date.

12.34 pm

Mr Don Foster (Bath) (LD): My hon. Friend and constituency neighbour, the Member for North East Somerset (Jacob Rees-Mogg), who is no longer in his place, made a telling intervention in which he pointed out that nothing in the Bill—and, indeed, nothing that Parliament can do—will increase the amount of daylight in any particular location in this country. The Bill seeks to find the most effective way of using daylight for the benefit of our constituents, whether they be in Scotland, Wales, Northern Ireland or England.

I was delighted to hear the speech by the hon. Member for Belfast East (Naomi Long). Her contribution was one of the finest that we have heard. She clearly fully understood the purpose of the Bill. She rightly expressed concern that there had not been much debate on this issue in Northern Ireland, and pointed out that limited research had been carried out there. She also said that she had a number of concerns about what might happen if we adopted the proposals. She went on to say, crucially, that because of the lack of evidence, and because many people believe that there will be real benefits from the proposals, the Bill should be given a fair wind so that the appropriate research, and the appropriate analysis of that research, can be carried out, and decisions could then be made on whether any further action should be taken. It has to be said that her speech was in marked contrast to those made by representatives of the Scottish National party.

The hon. Member for Banff and Buchan (Dr Whiteford) made a valuable contribution. She began by saying that she was agnostic about the issue. She admitted that she had approached it with an open mind and that, having reviewed the evidence, she was not particularly impressed by it and was now ambivalent about the matter. That is fine, and at least she did not deny that there might be merit in the proposals, and in continuing with the research. That was in stark contrast to the hon. Member for Na h-Eileanan an Iar (Mr MacNeil).

Dr Whiteford: If the Bill dealt with no more than the research phase, I would be very happy to support it. It does not, however; it proposes a trial and, in the light of all the evidence that I have seen so far, I do not believe that the case has been made for such a trial.

Mr Foster: The hon. Lady condemns herself out of her own mouth. She says that the evidence to date does not persuade or convince her. Fine. Then let us carry out the research, and the independent analysis of that research, and bring back a proposal to the House through an order so that we can decide whether to go on with a trial.

Mr MacNeil *rose*—

Mr Foster: I will give way briefly, but the hon. Gentleman has taken up a lot of the House's time today.

Mr MacNeil: I am not sure whether that is good or bad. The hon. Gentleman is arguing for research, and analysis of that research, to be carried out. If that were covered by one Bill, and the trial were covered by another, many of us would feel a lot more secure. This Bill, however, sets us on a slippery slope, and we would go from A to B to C very quickly. We would have three years of misery, followed by repentance from all sides as we changed back to the current system.

Mr Foster: The hon. Gentleman seems to change his tune with almost every intervention. Only a few minutes ago, he was intervening on the excellent contribution from the hon. Member for Brighton, Pavilion (Caroline Lucas) to ask whether she would be willing to change her mind on the basis of empirical research. I want to ask the hon. Gentleman whether he will change his mind on the basis of such research—

Mr MacNeil *rose*—

Mr Foster: I will not give way to the hon. Gentleman. He would do well to read in detail what the Bill says. I applaud the hon. Member for Castle Point (Rebecca Harris) for introducing a Bill that addresses all the approaches to this issue that might exist in this House. Perhaps it is worth reminding Members and others listening to the debate what the Bill actually says. It states:

"The Secretary of State must conduct a cross-departmental analysis of the potential costs and benefits of advancing time by one hour for all, or part, of the year, including...a breakdown, so far as is possible, of these costs and benefits for England, Wales, Scotland and Northern Ireland".

It goes on to state that the analysis must take into account research that is done

"by such bodies as the Secretary of State thinks fit."

[Mr Foster]

The Bill then proposes that there should be

"an independent Commission...to assess the analysis"

and that the commission should publish that assessment. On the trial period that clearly so worries the hon. Member for Na h-Eileanan an Iar, the Bill states it will only be introduced

"If the Commission concludes that the advancing of time by one hour for all, or part, of the year would be beneficial to England, Wales, Scotland and Northern Ireland".

The Bill does not state "or Northern Ireland"; it states "and". The change would have to benefit all those areas. Even then, the Bill states that none of that can happen until an order is placed before Parliament. I do not understand why the hon. Gentleman said that the Bill would railroad people into doing something. Clearly, that is not the case. Even worse, he went on to state that it was a kamikaze leap. The Bill is exactly the opposite of that.

Mr Reid: When my hon. Friend read from the Bill, he failed to point out that the commission is unelected. The Bill does not state who appoints the commission; it appears from nowhere. If that unelected commission comes to the conclusion that making the changes would be beneficial, the Secretary of State must introduce the order. The Government would have no choice in the matter. The Bill would give far too much power to the unelected commission.

Mr Foster: My hon. Friend, who I know is a staunch opponent of any moves in the direction set out in the Bill, has revealed that his only real concern is about the details of the appointment of members of the independent commission. I am absolutely certain that the hon. Member for Castle Point would be more than happy for him to be a member of the Bill Committee. I am sure that she would be very happy to look favourably on an amendment that alters how the commission is introduced.

Many hon. Members still wish to speak. I would have loved to have spent time discussing how we only have to look at the business of the House every day to see how nearly every debate would be influenced by a move in the direction proposed by the Bill. Whether in our debates on the economy, crime, the retail industry—particularly in terms of tourism—and many other issues, the proposals would give us an opportunity to analyse whether, in each of those areas, a real benefit could be brought to our constituents in all parts of the country.

When the hon. Member for Na h-Eileanan an Iar—I regret that I cannot correctly pronounce his constituency; I apologise for that—makes flippant remarks, he does himself a disservice. He challenged my hon. Friend the Member for Enfield North (Nick de Bois) to carry out a trial by changing his personal clocks. He failed to realise that the disadvantage to my hon. Friend would be that he would have to operate on a different time zone from the rest of his hon. Friends and from the work of this Chamber. That would put him at the same disadvantage as businesses and people in this country who try to operate not only with people in Europe—one of our main trading partners—but, as I said in an intervention, with people in emerging countries, such as China and India.

Malcolm Bruce: If the benefits of these long summer evenings are as great as the proponents of the Bill suggest, why do the House and schools in England not set an example by continuing their business during the eight weeks that have the lightest evenings of the year?

Mr Foster: My right hon. Friend begins his question with the word "If". That is a move in the right direction, because I assume that he is now prepared to allow research to be carried out. He can ignore, as can the hon. Member for Na h-Eileanan an Iar, the fact that all the research evidence, whether from Ipsos MORI, npower or MoneySavingExpert.com, demonstrates that more people in Scotland are now in favour of moves in this direction than of retaining the status quo. They can ignore that—that is fine—and they can say that the people of Scotland are unsure, and they may be right, but that is why the research is so important.

I hope that all hon. Members have had an opportunity to look at the excellent publication produced by my hon. Friend the Member for Bournemouth East (Mr Ellwood), who has done so much work on this issue, and has, I am sure, been supporting the hon. Member for Castle Point. The hon. Member for Belfast East is right to say that if we are saying that more research and analysis needs to be done, none of us can argue that all the research is yet conclusive. However, in the summary of his excellent book, my hon. Friend the Member for Bournemouth East notes that if we move in this direction it is likely that there will be safer roads, a reduction in the NHS budget, a reduction in crime, improved health and well-being, a boost to UK tourism, a reduction in our energy bills, a reduction in our carbon footprint, and increased international business and trade.

Those are aims that every Member of this House should be seeking to achieve, and that is why every Member of this House should support this Bill to allow further research and analysis to take place, and only then, if it all points in the right direction, to enable a trial to take place.

12.46 pm

Gordon Banks (Ochil and South Perthshire) (Lab): I commend the hon. Member for Castle Point (Rebecca Harris) for bringing the Bill before us. I hope she is enjoying today's experience a little more than the Postal Services Bill Committee, on which we both sit. I suspect she might have become sick of the sound of my voice over the past few weeks, but if she will tolerate me a little longer I might have something interesting to say to her.

The Bill certainly has a strong campaign behind it. The hon. Lady and those at Lighter Later deserve credit for so forcefully making their argument. Perhaps there is a less vocal and less organised argument against these proposals but, as we know, it is not always those who shout loudest who win the argument. The Opposition do not disagree with the aims of the Bill in principle, but we are concerned about how it will work in practice. I will come on to some of those concerns in a moment or two.

The basic goal of the Bill, as I understand it, is to examine the possibility of changing our daylight structure to ensure that we make the best use of the available

daylight. Members on both sides of the House have contributed to a very lively and interesting debate, and not just today. As much as we would like to, we can never increase the number of daylight hours in each day. That is the will of a higher power, if Members believe in such a thing; if they do not, it simply has to do with how the earth spins on its axis. Either way, we have no control over it.

The Bill sets out provisions for a three-year trial of the new daylight regime. However, that trial can begin only after completion of a cross-departmental review by Government and the establishment of a commission to determine whether the change will benefit all parts of the United Kingdom. Even after that, the Secretary of State would have to lay an order before Parliament. It is therefore clear that any change to our time structure would have to clear a considerable number of obstacles—or perhaps I should say "checks and balances"—after Second Reading before anything came to fruition.

I commend the hon. Lady for being so conciliatory in the wording of her Bill, but I remain to be totally persuaded that the wider public are as convinced as has been suggested today. If the Bill were passed today, a trial period should be instituted before the implementation of any wholesale change.

Mr Reid: The hon. Gentleman mentions the three-year trial. Has he noticed that under clause 3 the success of the trial has to be reviewed

"Not later than six months before the Trial is due to end"?

Effectively, therefore, it is only a two-and-a-half year trial that could cover only two, not three, winters.

Gordon Banks: Irrespective of the length of the trial—two and a half or three years—it is a substantial period that would enable the gathering of a significant amount of information and allow us to make the decision on the basis of information gathered in the UK, not in Indiana or somewhere else, and the decision would be based on the UK in the 21st century.

When I read the official transcript of the recent Adjournment debate on this subject, I was surprised by the strength of personal belief in favour of the change, but I was also impressed by the quieter voices arguing for the status quo. That clearly shows that there are differing viewpoints north and south of the border.

Mr Bradshaw: May I congratulate my hon. Friend on, I think, his intention to give the Bill a fair wind? He talks about doubt, but may I commend to him the excellent report by the Policy Studies Institute, published in October, on the impact in Scotland? There has been a lot of discussion about Scotland today, and the report suggests that the benefits for Scotland are even greater than those for the rest of the United Kingdom.

Gordon Banks: I thank my right hon. Friend for his intervention. There is a lot of conflicting information and there are many conflicting viewpoints. My suggestion, without giving away too much of my speech at this point, would be that a review could gather a lot of important information that could be well studied and well debated to allow a longer-term decision to be made.

Mr MacNeil: I would be interested to know the view of Opposition Front Benchers on a sensible, symmetrical shorter period either side of mid-winter. That would be a compromise between some of the extreme positions that we have heard.

Gordon Banks: I was waiting for that one. If I remember correctly, the hon. Gentleman said that he had not had a sensible response to any of those proposals in any of the debates, and I do not think he will get one from me, either.

In performing my duties as Member of Parliament for Ochil and South Perthshire, I have received representations from constituents that show the strength of feeling on both sides of the argument. I know that the Lighter Later campaign carried out polling that targeted Scotland and highlighted the fact that the majority of Scots backed lighter evenings. As with any poll, however, the key is how the question was asked and what questions were asked. I am sure that if any assembled mass of people were asked whether they would like an extra hour of daylight they would say yes. One must ask, however, whether they fully understood that to get the extra hour of daylight in the evening they would have to spend an extra hour in darkness in the morning. That is the key question, so, understandably, I reserve judgment on some of the poll results as they stand.

As we have heard, this is not the first time these issues have been debated in Parliament. I am aware of the work that the former Member for Stafford, David Kidney, carried out but he was not, despite possibly wanting to be, the trailblazer in this area. Robert Pearce, the Member of Parliament for Leek, introduced a Bill in 1908, and we have already heard from the hon. Member for Bournemouth East (Mr Ellwood) about Benjamin Franklin's contribution, with his remark:

"Early to bed and early to rise, makes a man healthy, wealthy and wise."

I am early to rise and late to bed, so what does that make me? Answers on a postcard please. Here we are, 100 years later, continuing the debate. I suspect that it could rumble on for another 100 years. The only good thing is that nobody here would then be able to be held to account for their decisions or blamed for them.

As we have heard, these debates often rear their head at this time of year. Having lived in Scotland for many years, I would welcome an extra hour of daylight at the end of a traditional working day. When I think about the Bill, however, I remember the old saying that not all that glisters is gold. Although we would all appreciate an extra hour of daylight at night, the question is whether it is worth the sacrifice of darker mornings. Although that might not be a major issue for constituents in the south of England, irrespective of what has been said, I know for a fact that it is an issue the further north one travels in the UK—and not just in Scotland.

I note that the hon. Member for Bournemouth East has been particularly vocal in his support for the Bill, but equally I hope that he will concede that he represents one of the southernmost constituencies in the UK. Were I in his position, I might well argue as strongly in support of the Bill as he does. I am sure, however, that he and the hon. Member for Castle Point would agree with the Prime Minister that we need a solution that suits all parts of the UK, not just the south. I recognise that that is an objective of the Bill.

Mr Ellwood: We went to some lengths to ensure that the Bill benefits not constituencies but the whole of the UK, and paid attention to Scotland specifically. Let me take the hon. Gentleman back to the debate that Scottish Members had last week. I think it was the right hon. Member for Exeter (Mr Bradshaw) who commented that the previous Prime Minister, who is from Scotland, had said that this would be good for Britain and for Scotland.

Gordon Banks: I do not want to argue or disagree with the hon. Gentleman. If he bears with me, my position will become a little clearer.

Mr Ellwood: It is fuzzy at the moment.

Gordon Banks: I think it is important for the Opposition to identify some of the problems that a number of people outside the House, as well as a number of Members, have with the Bill. However, I believe that there is a solution to those problems, and I believe that that solution is in the Bill.

Let me now make our position a little less fuzzy, for the benefit of the hon. Member for Bournemouth East. Although we have some unanswered questions, it is fair to say that there is a strong argument in favour of analysis and more detailed scrutiny. I shall say more shortly about the problems that are envisaged. However, as we believe that scrutiny of the Bill and its objectives would be carried out most effectively in Committee, we will not oppose its Second Reading today.

The Bill's approach broadly mirrors that of the National Farmers Union of Scotland and Visit Scotland. They, like us, welcome the debate on the issues, but have yet to develop a firm viewpoint on the potential viability of the changes. We reserve our judgment on the Bill until there has been a thorough and detailed assessment of its effects. Indeed, I believe that that is the Bill's objective.

I agree with my hon. Friend the Member for Glasgow South (Mr Harris), who said in the recent Adjournment debate that the benefits to Scotland were "unquantifiable in advance." Let me take that a step further, and say that at this stage the risks may also be unquantifiable. That is why we will not oppose the Bill's progress to Committee, where those risks and benefits can be explored more fully.

Malcolm Bruce: That is a perfectly fair position, but does the hon. Gentleman share my concern that virtually all the evidence has been produced by interest groups who have approached the issue with a view to determining evidence in their favour? How can he be sure that any analysis will be resourced fully and objectively to ensure that the counter-arguments are investigated properly? So far, all the investigation has been on one side, and people are reaching conclusions that the evidence does not support.

Gordon Banks: I would argue that the independent commission's job is to scrutinise both sides of the argument independently. Only then can it comply with the Bill and the regulations to make the position fair for all parts of the United Kingdom. I trust the independent commission to be able to do that. With great respect to Members who are present, I suspect that most of them have decided whether they support the Bill, but I am not convinced that the whole United Kingdom has reached that point. We need to reach a decision based on factual evidence that is relevant to the United Kingdom in the 21st century.

Albert Owen: Although I support the Bill, I—like many other Members, including the hon. Member for Brighton, Pavilion (Caroline Lucas)—want to see the evidence, but we, as Members of Parliament, must be leaders as well. We must collate the evidence and then make our decisions. We cannot always be weathervanes; we must sometimes be leaders.

Gordon Banks: I do not disagree with that. After the commission has reported and trials of a permanent change have taken place, it will be possible for a vote to take place in the House, and for us all to make our views known at that stage.

Naomi Long: I agree with the hon. Member for Ynys Môn (Albert Owen) that we should not wish to be weathervanes. I too have said that I will support the Bill, although the subject is not much of an issue in my constituency. However, it would be foolish for Members of Parliament to disregard evidence completely. Decisions must be evidence based, and it is therefore important for that evidence to be collated throughout the United Kingdom.

Gordon Banks: I could not agree more. I put my faith in the commission's ability to gather evidence from all over the United Kingdom, and to analyse it in an independent, structured and transparent way.

Following the Adjournment debate, I was intrigued to read in *Hansard* that the Under-Secretary of State for Scotland, the right hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), had said that his Department had consulted on the Bill, but, despite repeated calls from Members during the debate, had refused to share the results.

The Government's view on the Bill has not been made clear. If one were to believe the Under-Secretary—and I have no reason to doubt him—the Government appeared unlikely to support it. However, I read in the Sunday papers a fortnight ago that according to soundings from the Government a U-turn was in the offing. I look forward to clarification of the Government's position from the Minister. I would, however, add my voice to those of hon. Members who have called on the Scotland Office Minister to release the information so as to allow us all a better opportunity to scrutinise the Bill. Perhaps the Business, Innovation and Skills Minister currently on the Front Bench might be able to encourage his colleague to do that.

The Bill calls for a cross-departmental analysis of how this change might affect all parts of the United Kingdom. It appears that the Scotland Office Minister is already ahead of the curve in that respect. If the Government have, indeed, already carried out some preliminary studies into the Bill's proposals, I would be interested to know whether the BIS Minister or the hon. Member for Castle Point have any preliminary ideas of the initial financial burden of such a change on the Government and the economy. I note that the hon. Lady has tabled a number of written parliamentary questions to Government Departments. They have received

mixed responses, which highlights the need for much more detailed cross-Government research and study. I hope that will be facilitated in Committee, should the Bill be passed today. I would also be grateful if the Minister confirmed whether the Government have had any discussions with our devolved Administrations about the contents of the Bill.

As has been mentioned, this is not the first time this issue has been debated in the House. We even have a precedent between 1968 and 1971, when a similar proposal was trialled. Although it was slightly different, the impact was, perhaps, comparable. It might surprise Members to learn that I was 13 when those first trials took place, and they clearly had an effect on some people in Scotland. I am reminded of the event by footage that showed schoolchildren walking to school wearing headlamps and reflective sashes. *[Interruption.]* The Minister mentions miners' lamps, and I was about to come on to that. With Scotland's proud traditions of coal mining, I am sure those headlamps were not in short supply back then, but I would guess a supply of headlamps might be harder to find today after the decimation of the coal mining industry in Scotland by the Conservative party. That is my one partisan comment of the day, and I hope the House will allow me it. I am sure my hon. Friend the Member for Midlothian (Mr Hamilton) will, as a former miner, have appreciated it, although he may be too busy keeping his eye on the clock to have taken note of the remark.

On a more serious note, I have to confess that the issue of children walking to school, or waiting at the roadside to be picked up to go to school, in the dark still concerns me greatly. I acknowledge the work carried out by the Policy Studies Institute; although I am not qualified to comment on whether there was any link between the daylight change and those statistics, I think it is worth noting. It also again illustrates that this Bill requires further, and much more detailed, scrutiny.

I also note that there has been a sustained campaign with many external supporters, but one thing I have learned as an MP is that the loudest voice is not always the right voice. I am not saying we disagree with the analysis and the opinion put forward by these many and varied organisations, but there are some inconsistencies. For example, the study by the Policy Studies Institute said that car accidents were more likely in the evening peak because of reduced visibility. However, if we implement this change will we not simply displace those accidents to the morning? I also do not agree that people are more attentive in the morning than in the late afternoon or early evening. These themes must be developed further in Committee and by the independent commission.

I will conclude in a moment, but one issue that has, perhaps, been missing from the debate so far is the change in people's lifestyles across the UK that this change might cause. Indeed, one constituent who contacted me to voice her opposition to the Bill suggested we might have to change the working day in Scotland from the traditional 9 to 5 to 10 to 6.

Mary Macleod (Brentford and Isleworth) (Con): Does the hon. Gentleman not agree that given that this Bill promises a detailed analysis and a trial, and given that it could save 100 lives on the roads, create 80,000 jobs and cut 450,000 tonnes of carbon emissions, as the Mayor of London says, if there was ever a political no-brainer, this is it?

Gordon Banks: If the hon. Lady had been listening to my remarks, she would have known that we are not going to oppose the passage of the Bill today. However, some questions need answering and that is why the Committee and the commission will sit. It is right that these questions are asked and that some of these concerns are being voiced in this debate.

I wish to go back to the debate about 9 to 5 and 10 to 6. We already have industries, such as construction, that do not conform to a traditional working day. I wonder whether any study has been commissioned on how these changes will have an impact on family life as a result of possible work practice changes, rather than just the leisure aspect. Such work practice changes may come about if people whose jobs currently operate from 8.30 am to 5 pm find themselves working from 10 am to 7 pm in future.

Matthew Hancock: Given that the hon. Gentleman has made a strong argument for the need to ask more questions and receive more answers, for example, on the construction industry, why will he not vote in favour of the Bill?

Gordon Banks: I have already told the House that we are not going to block the progress of the Bill. We look forward to the information that will flow from the Bill and allow us the opportunity to come back to have a full vote before any overall change is made to the time structure in the United Kingdom for a period longer than the trial period.

I have discussed only a few of the issues that have concerned me and are concerning others outside this House. If Members on the Government Benches did not share these views, they would not be proposing the commission and so on. The Opposition do not intend to oppose Second Reading stage today. However, as I have outlined, many issues deserve much greater scrutiny in Committee, should it be the will of the House that the Bill is passed today.

We should not be making decisions in this House on the basis of emotion; we should be making informed decisions, which is what the electorate expect of us. The Bill proposes to give us a raft of information, on the basis of which we would be able to make well-informed decisions, not emotional ones.

1.7 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I congratulate the hon. Member for Castle Point (Rebecca Harris), because in my many discussions with her during the past few weeks she has shown a huge amount of knowledge and passion about this issue, and enthusiasm for it, and she displayed that again when she opened this Second Reading debate.

This has been a well-argued, serious and good-natured debate. We have heard different voices from different parts of the United Kingdom; we heard from representatives of Berwick-upon-Tweed, Cornwall, Scotland, Northern Ireland and Wales. I am particularly grateful to the hon. Member for Castle Point because until I knew that I had to deal with her Bill I had not realised that I was a Minister of time—perhaps I should have done, given that the former Business Secretary, Lord Mandelson, was known as the "prince of darkness." Obviously, I have had to get to grips with these issues.

[Mr Edward Davey]

Concerns have been raised in the media about this change. Reference has been made to a certain Peter Hitchens during our debate, as has the idea that somehow we would be adopting Berlin time. So I congratulate my hon. Friends the Members for Ealing Central and Acton (Angie Bray) and for Bournemouth East (Mr Ellwood), who have rechristened the idea "Churchill time". That is not only a positive reference to the wartime coalition, but a reference to the great man's membership of both the Liberal and Conservative parties.

As the hon. Member for Castle Point said, the subject of this Bill is a perennial issue, which has been debated and discussed often in this House and elsewhere. However, it seems that this time those who wish to effect this change have done some excellent research and have mobilised their arguments very effectively. I shall begin by briefly summarising the Government's position. I agree with the hon. Lady that some of the arguments put forward for lighter evenings are compelling. Evidence would indeed appear to suggest that there could be an overall reduction in the number of road accidents and fatalities, and there could be benefits for some business sectors, particularly those most reliant on trade with other parts of the European Union. In addition, recent studies suggest a possible positive impact on energy usage and, as a result, carbon emissions.

However, we entirely appreciate that the arguments do not all point in the same direction. There are concerns about the longer, darker winter mornings that would result: much is said about the impacts in northern parts of the UK, but a change would mean delaying dawn in mid-winter even in London until after 9 o'clock, as my right hon. Friend the Member for Gordon (Malcolm Bruce) has pointed out.

Mr MacNeil: I want to challenge the argument that there would be a carbon saving, because empirical studies show the exact opposite: more electricity would be used on the darker mornings and power consumption would increase by between 1% and 4%.

Mr Davey: I am grateful for the hon. Gentleman's intervention. I shall assess that issue and put both sides of the argument because we must have a balanced approach to this important debate.

I have also heard arguments about the disadvantages of very late light evenings in summer. Experience of a similar change in Portugal suggested problems with children's sleep patterns and some have suggested there could be implications for antisocial behaviour. In other areas, the case remains unproven. I think that the hon. Member for Castle Point would accept that it is unclear whether there would be a positive impact on crime rates and general public health. Some of the claims about the extremely positive impact for specific sectors would no doubt benefit from closer scrutiny.

Against that background, it is not surprising that opinion remains divided. People's views depend significantly on where they live, what they do for a living and whether they enjoy outdoor pursuits. Also relevant are personal preferences such as whether one is a morning person or not. I am not sure whether you are a morning person, Mr Deputy Speaker—you are shaking your head. One thing we remain convinced about, which must lead us to oppose the Bill, is that we cannot make this change unless we have consensus throughout the United Kingdom. That has recently been made clear by the Prime Minister on more than one occasion.

We must acknowledge that the change would have widely differing impacts on day-to-day life in different parts of the UK. They would be particularly acute in Scotland and Northern Ireland, where it would not get light in mid-winter until nearly 10 am in Glasgow, Edinburgh and Belfast; in Lerwick in the Shetland islands, it would not get light until 10.8 am on new year's eve. Although hon. Members have spoken of changes in public opinion in Scotland, it is clear that much opinion understandably remains against the proposal.

The case is particularly difficult in Northern Ireland and I listened with great interest to the hon. Member for Belfast East (Naomi Long), who approached the debate in a considered and objective way. As she said, unless the Republic of Ireland also made the change, there would be additional cross-border complications. These issues would need further consideration and careful prior consultation with the Irish Government.

Malcolm Bruce: Does my hon. Friend agree that the point made in an earlier intervention that the Republic of Ireland would automatically follow whatever we did was a bit patronising and arrogant given the consequence in places such as Galway, where sunrise would be at 9.51 am? It is pretty reasonable that the Republic of Ireland should have a view on that.

Mr Davey: I shall discuss that in more detail, particularly in relation to Galway bay, if my right hon. Friend will be patient.

The Government's view is that the consensus across all parts of the UK needed to justify passing legislation on this does not exist. That simple fact must lead us to oppose the hon. Lady's Bill today, but I hope that some of my later remarks will be of comfort to her.

Andrew Percy (Brigg and Goole) (Con): I agree with much of the Minister's comments and I have concerns about the Bill, but should it not at least proceed? There is a debate to be had out there and the public are really interested, so why not let it proceed so we can go through those arguments once and for all?

Mr Davey: If my hon. Friend will have a little patience, I hope that he will react positively to some of my later remarks.

Our quandary is this: we appreciate the benefits that the change could bring, but we do not want any one community to be disadvantaged, or for its members to feel that they have had such a fundamental change to their daily lives foisted upon them.

There have been regular debates about the benefits of the change advocated by the hon. Member for Castle Point. Trying to change the clocks is, as I said, not a new idea. It is more than 40 years since an attempt was made to move away from Greenwich mean time in the winter months as well as the summer throughout the UK. Between 27 October 1968 and 31 October 1971 an experiment was conducted, and summer time—that is, Greenwich mean time plus 1 hour—was adopted throughout the year in order to test public opinion

about continuous summer time. Although this was British summer time all the year round, it was known as British standard time.

There were two general arguments for a move to British standard time. The first was that the move would avoid the inconvenience of changing the clocks in the spring and autumn. The second depended on the fact that in those days most of our trading partners on the European mainland were on central European time throughout the year, the concept of summer time not being one that we had managed to sell to them at that time. So by adopting permanent British summer time, we brought ourselves into line with those countries at a time when we were eager to increase trade with our European neighbours, and at a time before e-mail and other technology made communication possible at any time of day or night.

Consultations carried out by the Government in 1966, before the experiment to change to British summer time throughout the year, revealed the divergence of opinion between the majority of people in England and Wales, who favoured British standard time all year round, and those in Scotland and the north of England, who were opposed. Nevertheless, the experiment went ahead and lasted for three years. A review of the experiment was conducted in the winter months of 1968-69 and 1969-70. The review found that it was impossible to quantify at that time many of the more important claims about the advantages and disadvantages of British standard time.

However, what the review did reveal was the many practical objections that were raised by the farming and construction industries and others involved in outdoor work, such as road maintenance workers, postal workers and dairy workers, particularly in the north of England and Scotland, who claimed that the change caused discomfort and inconvenience because of the late sunrise in winter. They also claimed that they could not easily change their working hours because of public demand for early services. Those objections would probably have less force today as the economy is less dependent on agriculture, and equipment can operate at night, but they are still a factor.

There was also concern about hazards to schoolchildren particularly in rural areas, who would be going off to school up to an hour and a half before dawn. We have heard much about that argument today. It appears that any increase in road casualties in the mornings would be at least offset by reductions in the evenings, but significant concerns about that remain, particularly in more northern areas.

Following a free vote—I repeat, a free vote—in Parliament on 2 December 1970, the House voted by the decisive margin of 366 to 81 to revert to the current arrangements. There must have been some weight behind that decision if, having lived through the experiment for three years, so many Members in all parts of the House were not persuaded. Portugal did exactly the same after it experienced four years of a similar experiment.

If we want to get a more recent idea of how a change to our summer time arrangements might impact on the United Kingdom, we can look to Portugal, which moved to central European time in 1992. Of course Portugal is in a different geographical location from us, but being at the westerly extremity of Europe it is currently on the same time zone as the UK and Ireland. Since most of its trade is with the European Union, its Government decided, as we had in the 1960s, that it would be beneficial to be in the same time zone as its neighbours and trading partners. The experiment was abandoned in 1996 and Portugal reverted to GMT because its population decided that the gains of lighter evenings were not, in the end, offset by the pain of darker mornings. So perhaps the change did not bring all the benefits that were hoped for, which highlights the practical reality and consequences of an actual change.

Some of the complaints resulting from the Portuguese experiment were not necessarily ones that I had immediately thought of. For example, the light summer evenings apparently had a disturbing effect on children's sleeping habits, which in turn led to poor performance in school and lack of concentration. Pollution from road traffic increased as the rush hour in the summer months coincided with the hotter times of the day. Let us remember that these are actual findings from an actual experiment.

Perhaps more importantly, Portugal found that the energy savings arguments were relatively weak. The intended savings in household electricity consumption were disappointingly low as, according to the report, the change resulted in an "insignificant saving." It would appear that the extension of daylight hours meant that people tended to engage in other leisure activities after work, which might have been good for the leisure and tourism industry but unfortunately led to higher energy consumption.

Andrew Bridgen (North West Leicestershire) (Con): Will the Minister speed up his statement? Many Members on both sides would like to get home before it gets dark.

Mr Davey: I should say that I do not intend to speak for too long, if that encourages my hon. Friend to retake his seat.

Mr MacNeil: Will the Minister give way on that point?

Mr Davey: On getting home before it gets dark?

Mr MacNeil: Is not the intervention of the hon. Member for North West Leicestershire (Andrew Bridgen) an example of such a speedy, kamikaze, headlong and blinkered rush into an inevitable period of repentance? I urge the Minister to inform the House as he is doing, of matters regarding Portugal, which I certainly did not know about, and please to continue.

Mr Davey: I am grateful for that, but my hon. Friend the Member for North West Leicestershire (Andrew Bridgen) always goes about things in a calm, balanced and measured way.

There was also evidence, gathered by the Portuguese Government at the time, that people's mental health suffered, and there was an increase in the sales of tranquilisers and sleeping tablets as many people, like their children, were unable to get enough sleep. Information from insurance companies indicated that there was a rise in road traffic claims, rather than the reverse, and the Portuguese Government decided that the disadvantages outweighed the benefits, so they went back to Greenwich mean time. Their view was that there was nothing to prevent any business that traded internationally or

[Mr Davey]

throughout Europe from starting their operations earlier if they wanted to, but that there was no need to inconvenience the whole population on their behalf.

So, we have had two experiments in different countries which were both abandoned not necessarily for the same reasons, but because on the whole more of the population found that the change affected their lives for the worse, rather than for the better.

Mr Bradshaw: I am sorry and surprised that the Minister sounds more negative than the shadow Minister, but may I concur with the hon. Member for North West Leicestershire (Andrew Bridgen) by suggesting that the Minister's speech would benefit enormously from a radical sub-editor's pen?

Mr Davey: One thought that of the right hon. Gentleman's speeches on many occasions, but, as I thought he would know, it is incumbent on the Government to put their thinking on the record, because people want to understand why the Government have reached their decision.

Mr Reid: I hope that my hon. Friend will not pay any attention to those who want him to curtail his speech. I am very supportive of what he says and want to hear all that the Government have to say.

Mr Davey: And I am keen to say it.

I was saying that we have had two experiments in different countries which were abandoned not for the same reasons, but because on the whole more of the population found that it affected their lives deleteriously. Of course, the argument that it is necessary to be in the same time zone as other member states in the European Union is perhaps less important than it was, because expansion has meant that the EU spans three time zones, not just one.

Jersey also deserves a mention. We have heard about Gibraltar, but what about Jersey? Normandy is just 14 miles away from the Channel Islands, but, despite being closer to the French coast than to the UK mainland, in a referendum in October 2008 Jersey residents voted against moving to central European time by 17,230 votes to 6,564.

Several hon. Members *rose*—

Mr Davey: I am not going to give way. I want to make some progress, and then I shall take some interventions.

Of course, much of the reason for the vote against the change was that the residents did not wish to be in a different time zone from the rest of the United Kingdom, but it has to be said that farmers in Jersey were among the most vociferous opponents of a move to central European time.

Let us consider the detailed arguments that have been put forward today, starting with the arguments on energy saving and climate change. Apart from the general attractiveness of lighter evenings, one of the most persuasive arguments in favour of moving the clocks forward is to save energy. One reason why I came into politics was to push forward the green agenda, and like most people I think that any change that might contribute to saving energy and reducing our carbon output needs to be considered carefully.

I have looked particularly closely at the evidence on that issue, because it is not totally one-sided. The report for the 10:10 Lighter Later campaign quoted studies by Cambridge university that suggested that darker evenings produce a 2.2% increase in demand for electricity in the late afternoon and early evening, which requires the use of the most expensive supply source provided by inefficient power stations that have to be brought on line to cope with the demand. The studies also suggested that a reduction in CO_2 emissions of 1.2 million tonnes could be achieved during the six winter months, which is the equivalent of removing 20,000 cars from our roads over the same period.

However, a recent response from the Department of Energy and Climate Change to the Energy and Climate Change Committee pointed out that energy saving benefits are far from clear-cut. It concluded that although we might expect overall energy use to be reduced by extending British summer time, the effects are likely to be small. The most significant effect would be the switch of lighting demand from the evening to the morning. Although, on the one hand, the working day would be more aligned with natural daylight, leading to a reduction in demand, there are other factors, not least that households may be more likely to turn lights on when it is dark than off when it is light. Energy use might therefore increase due to people leaving lights on after switching them on because of the darker mornings. Although evening peak electricity may flatten or reduce, evening peaks between Britain and France may become more aligned, which would have implications for prices and security of supply in situations of low generation capacity margin.

Finally on this issue, a study in 1990 by Paul Littlefair, the project leader for the Building Research Establishment's programme of daylight research, concluded that the introduction of single/double summer time would lead to extra lighting energy costs, probably to the tune of £10 million a year. We should remember that Portugal ended its experiment with central European time because the small energy savings could not justify the inconvenience that the change created.

In this area, as in others, the evidence is not clear-cut. However, the importance of the climate change agenda means that even relatively small savings are worth while. As I am a firm believer in that agenda, I believe that we should consider this matter seriously.

I shall turn to the arguments regarding business and trade. One of the major arguments for the 1960s experiment of moving to British standard time was that it would be far easier to do business with our European neighbours, which would have positive impacts on our economy and prosperity. The European Union remains our largest trading partner, but since 1970 the world has changed and is now almost unrecognisable. We now have a Union of 27 member states over three time zones, whereas previously the UK was trying to join a common market of six countries all in the same time zone. At that time, the population and the Government were interested in tapping into the prosperity that access to that market could bring.

Mr MacNeil *rose*—

Mr Davey: I want to make some progress, because I have an important announcement to make to the House.

The Republic of Ireland is one of our most important EU trading partners—we trade more with southern Ireland than with Brazil, Russia, India and China. That is partly for historical reasons and partly because many multinational companies have their headquarters there. Sadly, it has taken the recent banking crisis in Ireland for us to remember how important our trade with Ireland is. There would be concerns in that regard if we harmonised our time with the European mainland, because we would be unharmonising it from the Republic of Ireland.

What of the large proportion of our business that is not conducted with the EU? Who would benefit and who would be the losers? Companies trading with the far east might benefit, while those trading with the USA might not. Once again, we realise that there is no right answer and that compromises must be made.

Naomi Long: On the inconvenience to those who trade with the US, we should remember that the US is one of the biggest foreign direct investors in the Northern Ireland economy. That is another specific way in which the measure would impact on Northern Ireland and it must be given close consideration.

Mr Davey: The hon. Lady is absolutely right. I have taken the trouble to speak to the Irish ambassador to London to ask for his views and those of his Government on this issue, and I want to put those views on the record.

Neil Parish (Tiverton and Honiton) (Con): Forty years after the last experiment, is it not right for the Government to consider the fact that the population has changed? We have an older population who will benefit from the extra hour. Farming has also changed hugely, with much more milking being done and cattle being kept inside, so there is no reason not to change the time. I am surprised that the Government are not more supportive of the Bill.

Mr Davey: I urge my hon. Friend to be a little patient, but I would say that if he had listened to my remarks, he would know that I was agreeing with those exact points.

I wish to move on to one of the major benefits of daylight savings. It is considered that moving to central European time would prevent many serious road accidents and fatalities, and I totally accept that good evidence is available. ROSPA produced a paper in support of the private Member's Bill tabled by the hon. Member for South Suffolk (Mr Yeo) in 2008, which showed that 80 fatalities a year could be saved. Department for Transport figures corroborate that statistic. In Scotland, evidence from the Transport and Road Research Laboratory after the 1960s experiment showed that road casualties had declined by 17% in Scotland, compared with 11.7% across the whole of Great Britain.

Even in the matter of road safety, however, we should remember that other factors are at play. Our streets are becoming ever safer, and we have one of the lowest rates of road deaths and serious injuries in Europe. The 1968 experiment was conducted at the same time as the first drink-driving laws came into force, and they will have made a material difference. It is possible that other initiatives to improve road safety have had a far more beneficial impact on road safety than the time change would have done, and it would also have had a far greater impact on wider society. For example, improvements in driver behaviour, car safety, road designs and speed restrictions will have contributed to a fall in casualties.

Mr Denis MacShane (Rotherham) (Lab): A Friday morning Bill on this matter came before the 1997 Government and was talked out, and I believe that the last Government talked one out. I hope that today, the Minister will vote with his Conservative colleagues in favour of the Bill.

Mr Davey: I do hope to be able to get to my concluding remarks. [Hon. Members: "Hear, hear!"] It will make me very popular with my hon. Friends.

Another issue that has been raised in the debate is the leisure and tourism industry. The Lighter Later campaign's report makes much of the fact that tourism and leisure would be boosted by £2.5 billion to £3.5 billion, and that an extra 60,000 to 80,000 jobs would be created. I am not yet entirely persuaded by the evidence that has been presented. Many overseas tourists come to the UK for our wonderful cultural attractions and history, which of course can be appreciated at any time of the day. When people are on holiday, they can choose exactly how to plan their day to make best use of the daylight hours.

I understand that evidence is available showing that, particularly in the so-called shoulder seasons of spring and autumn, more people would be tempted to go out and visit leisure attractions if it were lighter longer, and that jobs would probably be created. The research shows that that would particularly benefit certain towns. More robust research is therefore needed. We need to understand whether the change would lead to a net creation of jobs or whether there would be any displacement of employment in other areas.

Brandon Lewis: I do not mean to protract the debate, but does the Minister agree that one benefit in those shoulder seasons for an area such as Great Yarmouth, where tourism is important, would be that we could move away from the 16% to 18% unemployment in some areas that is caused by the closed season? It might just help employment and back up the figures that he is talking about.

Mr Davey: That is why I am keen to see extra research on the matter. At the moment, the evidence is not absolutely clear.

I wish to discuss Scotland, which is a key issue in the debate. The Prime Minister has made it very clear that we need consensus, and that has clearly not been the case in the House tonight. *[Interruption.]* I have obviously got the wrong time zone.

As we all know, altering our clocks cannot have an effect on the amount of daylight, and the hon. Member for North East Somerset (Jacob Rees-Mogg) made that point very well. The issue is how we distribute the hours of daylight that we have. Hon. Members have discussed different sunset times in the debate. Under the proposals, sunset in Edinburgh in mid-October would move from 6.15 pm to 7.15 pm, but sunrise would not be until 8.45 am, and on new year's eve, it would not get light in Lerwick until after 10 am, as I said earlier. It is therefore unsurprising that the Scottish Government

[Mr Davey]

are nervous of such a change, and that they have said that they would not want it imposed on their population.

We should remember that Scotland is not only further north than the rest of the United Kingdom, but quite far west too—surprisingly, Edinburgh is west of Bristol—which means that, come winter, it has relatively little daylight, in fact about eight hours, and that that light comes later. It is possible in principle to have two UK time zones—one for Scotland, which could perhaps include Northern Ireland, and one for England and Wales—but we should rule out that option on such a relatively small island as ours. We should remain a United Kingdom.

I have heard what the hon. Member for Castle Point and others have said about the evidence of changing opinion in Scotland, but that evidence is far from definitive. Although the Scottish Government and many Scottish MPs and MSPs from all parties remain opposed to the change, the matter is being debated in the Scottish Parliament. A recent motion in the Scottish Parliament, which was signed by MSPs from all parties, stated:

"That the Parliament notes that consideration is to be given by the UK Government to move Britain's clocks forward by one hour; believes that such a move would be detrimental to Scotland, in particular raising concerns over road safety in the early morning and the safety of children walking to school, and could have a negative effect on Scottish businesses, including the construction and agricultural sectors, and urges UK ministers to retain GMT in the winter and BST in the summer."

Of course, if the Scottish people clearly decide that the evidence shows that there would be many benefits for them as well as those living further south, the position could change, but we must have the consensus that the Prime Minister demands.

In conclusion, the Government see many arguments in favour of the change that the hon. Lady is promoting. We would all appreciate the chance to make the most of lighter evenings and welcome the benefits to energy saving and road safety that the change might bring, but unless and until we can extend the hours of daylight—I doubt that we could do that—lighter evenings mean darker mornings. A responsible Government must take careful account of the disadvantages that that would bring to certain communities.

The Prime Minister was therefore quite right to make it clear that any change would need the support of all parts of the UK. As things stand, despite some of the arguments we have heard today, it remains clear that there are a number of significant issues in respect of such a change for Scotland and Northern Ireland, and I believe that we cannot go forward with the consent of all three devolved Administrations.

In addition, the subject of the Bill is a devolved matter in Northern Ireland, so any UK-wide legislation would require the consent of the Northern Ireland Assembly. Until we have clear evidence of the necessary consensus across the UK and the necessary consent of the Northern Ireland Assembly, the Government's clear view is that it would be inappropriate for this Parliament to pass the hon. Lady's Bill or any other legislation on this matter.

That point applies to the hon. Lady's Bill even though it does not directly propose a move to central European time or an immediate trial. After all, the Bill includes a provision that would automatically trigger a trial if the proposed analysis reached a positive conclusion. As such, passage of the Bill would still risk being perceived by many in Scotland and Northern Ireland, and by the devolved Administrations, as an attempt by Westminster to impose unwelcome change. I acknowledge, however, that the Lighter Later campaign has made some good points about the potential benefits of change to the UK as a whole, and I again pay tribute to her efforts.

The Government agree that this is an important issue that must be taken seriously. As a result, although we cannot support the hon. Lady's Bill—and I would urge the House not to give it a Second Reading—I can announce that we intend to consider the question further. Specifically, if the Bill does not progress today, we intend to do two things. First, my right hon. Friend the Secretary of State for Business, Innovation and Skills will write to the First Ministers in Scotland and Wales, and the First Minister and Deputy First Minister in Northern Ireland, not just to draw attention to this debate and the arguments made in favour of change, but to invite them to consider entering into a dialogue with us on this matter. That is the way to achieve the consensus that the Prime Minister believes is necessary.

Secondly, the Government would intend to publish a review of the available evidence concerning the likely effects of moving to central European time in the UK. This review would be a cross-departmental effort, drawing on relevant unpublished data held by Departments, and include consideration of the coverage of the evidence base, identifying any gaps and providing views on its validity. That might not be as comprehensive a consideration of the matter as the hon. Lady's proposed commission might achieve, but it would be a significant step forward in the analysis of the arguments for and against change on this important issue. As such, I hope it would also facilitate a future dialogue on the matter into which the devolved Administrations might wish to enter.

I hope that the House will agree that our proposals provide a more appropriate way forward on this important subject, and that they can garner greater consensus across the UK than the Bill.

Rebecca Harris *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

The House proceeded to a Division.

Mr Deputy Speaker (Mr Nigel Evans): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 123, Noes 8.

Division No. 142] **[1.41 pm**

AYES

Adams, Nigel	Barwell, Gavin
Afriyie, Adam	Bell, Sir Stuart
Aldous, Peter	Berger, Luciana
Alexander, Heidi	Betts, Mr Clive
Baker, Steve	Bingham, Andrew
Baldry, Tony	Blackwood, Nicola
Banks, Gordon	Boles, Nick
Barclay, Stephen	Bottomley, Peter
Barron, rh Mr Kevin	Bradley, Karen

Bradshaw, rh Mr Ben
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brooke, Annette
Bruce, Fiona
Buck, Ms Karen
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Campbell, Mr Alan
Collins, Damian
Colvile, Oliver
Corbyn, Jeremy
Creasy, Stella
de Bois, Nick
Dobson, rh Frank
Dowd, Jim
Dromey, Jack
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Jonathan
Field, rh Mr Frank
Field, Mr Mark
Foster, Mr Don
Gale, Mr Roger
Glen, John
Godsiff, Mr Roger
Goldsmith, Zac
Goodman, Helen
Gray, Mr James
Gummer, Ben
Gyimah, Mr Sam
Hamilton, Mr David
Hancock, Matthew
Hands, Greg
Harris, Rebecca
Harvey, Nick
Heyes, David
Hollingbery, George
Hollobone, Mr Philip
Hughes, Simon
Huppert, Dr Julian
Jackson, Glenda
Jenkin, Mr Bernard
Johnson, Diana
Johnson, Joseph
Jones, Mr Marcus
Kelly, Chris
Khan, rh Sadiq
Kirby, Simon
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Lewis, Brandon
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lucas, Caroline
Macleod, Mary
MacShane, rh Mr Denis
Maynard, Paul
McDonnell, John
Meale, Mr Alan
Menzies, Mark
Metcalfe, Stephen
Michael, rh Alun
Mordaunt, Penny
Munt, Tessa
Newton, Sarah
Nokes, Caroline
Ottaway, Richard
Owen, Albert
Parish, Neil
Pawsey, Mark
Percy, Andrew
Perkins, Toby
Perry, Claire
Phillips, Stephen
Pound, Stephen
Reckless, Mark
Rudd, Amber
Ruddock, rh Joan
Sandys, Laura
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Stephenson, Andrew
Stewart, Bob
Syms, Mr Robert
Thomas, Mr Gareth
Tomlinson, Justin
Tredinnick, David
Tyrie, Mr Andrew
Vickers, Martin
Walley, Joan
Weatherley, Mike
White, Chris
Whittingdale, Mr John
Winterton, rh Ms Rosie

Tellers for the Ayes:
Mr Greg Knight and Yasmin Qureshi

NOES

Bruce, rh Malcolm
Davey, Mr Edward
Nuttall, Mr David
Offord, Mr Matthew
Rees-Mogg, Jacob
Rosindell, Andrew
Stewart, Iain
Whiteford, Dr Eilidh

Tellers for the Noes:
Mr Angus Brendan MacNeil and Mr Alan Reid

Question accordingly agreed to.

Question put accordingly, That the Bill be now read a Second Time.

The House proceeded to a Division.

Mr Deputy Speaker (Mr Nigel Evans): I ask the Serjeant at Arms to investigate the delay in the No Lobby. There seems to be another problem, perhaps with frozen pipes.

The House having divided: Ayes 92, Noes 10.

Division No. 143] [1.55 pm

AYES

Afriyie, Adam
Aldous, Peter
Baker, Steve
Baldry, Tony
Barclay, Stephen
Barron, rh Mr Kevin
Barwell, Gavin
Bell, Sir Stuart
Betts, Mr Clive
Bingham, Andrew
Blackwood, Nicola
Bottomley, Peter
Bradley, Karen
Bradshaw, rh Mr Ben
Brake, Tom
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brooke, Annette
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Collins, Damian
Colvile, Oliver
Corbyn, Jeremy
Creasy, Stella
de Bois, Nick
Dobson, rh Frank
Dowd, Jim
Ellison, Jane
Evans, Jonathan
Field, rh Mr Frank
Foster, Mr Don
Gale, Mr Roger
Glen, John
Godsiff, Mr Roger
Goldsmith, Zac
Gray, Mr James
Gummer, Ben
Gyimah, Mr Sam
Hancock, Matthew
Harris, Rebecca
Heyes, David
Hollingbery, George
Hollobone, Mr Philip
Hughes, Simon
Huppert, Dr Julian
Johnson, Joseph
Jones, Mr Marcus
Kelly, Chris
Kirby, Simon
Lee, Dr Phillip
Leslie, Charlotte
Lewis, Brandon
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lucas, Caroline
MacShane, rh Mr Denis
Maynard, Paul
McDonnell, John
Metcalfe, Stephen
Michael, rh Alun
Mordaunt, Penny
Munt, Tessa
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Ottaway, Richard
Owen, Albert
Parish, Neil
Pawsey, Mark
Percy, Andrew
Perry, Claire
Phillips, Stephen
Qureshi, Yasmin
Reckless, Mark
Rudd, Amber
Ruddock, rh Joan
Sandys, Laura
Smith, rh Mr Andrew
Stephenson, Andrew
Stewart, Bob
Syms, Mr Robert
Tomlinson, Justin
Tredinnick, David
Tyrie, Mr Andrew
Vickers, Martin
Walley, Joan
Weatherley, Mike
White, Chris
Whittingdale, Mr John

Tellers for the Ayes:
Mr Greg Knight and Charlie Elphicke

NOES

Bruce, rh Malcolm
Coffey, Dr Thérèse
Davey, Mr Edward
Jenkin, Mr Bernard
Offord, Mr Matthew
Rees-Mogg, Jacob
Rosindell, Andrew
Skinner, Mr Dennis
Stewart, Iain
Whiteford, Dr Eilidh

Tellers for the Noes:
Mr Alan Reid and Mr Angus Brendan MacNeil

Question accordingly agreed to.

Bill read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Gangmasters Licensing (Extension to Construction Industry) Bill

Second Reading

2.9 pm

Mr David Hamilton (Midlothian) (Lab): I beg to move, That the Bill be now read a Second time.

I pay tribute to my hon. Friend the Member for Paisley and Renfrewshire North (Jim Sheridan), who presented the Bill that became the Gangmasters (Licensing) Act 2004. I also thank my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) and other colleagues who did a power of work on that Bill.

The Bill proposes to extend the remit of the Gangmasters Licensing Authority, which currently covers only the agriculture and food processing sectors, to the construction industry. Gangmasters in those sectors are required to hold licences and to pay the very small fee of £400, but if the authority is able to expand into the construction industry, the fee will be reduced in proportion to the number of people whom gangmasters employ.

In the agriculture industry, licences are not revoked for a small transgression. The GLA works with gangmasters to try to ensure that they meet the necessary requirements, and only in the event of serious and continued breaches will the GLA use its power to revoke a licence. Since the Act came into operation, 110 of the 1,200 licensed gangmasters have had their licences revoked. The gangmasters' organisation supported all those revocations.

Given the shortage of time, I shall have to abbreviate my remarks and not list all the case studies.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): Does my hon. Friend agree that the Act was successful because it engaged everyone, from the National Farmers Union to the Transport and General Workers Union, and that it has been a quiet success because it has dealt adequately with the areas of responsibility? When it was first introduced, I had ministerial responsibility. The Government said, "Let us see if it works in this area of endeavour, and if it does perhaps it can be extended elsewhere." Would it not be a terrible shame if the opportunity to explore that expansion were not taken today?

Mr Hamilton: It certainly would. I congratulate my right hon. Friend on the tremendous work that he did as a Minister at the time. As he says, the Act has been a success story that has not reached the press. The GLA has kept its head down and worked hard with the industry, and we now want that work to be extended.

The Bill does not create any new workplace regulations; it merely changes the enforcement of the existing regulations. That will raise more revenue in increased tax take than it costs. The current net cost of the GLA is £4 million a year, but according to the Treasury's own figures, false statements of employment in the construction industry cost £350 million a year. There are other ways in which the Bill will create efficiencies on the front line. It will reduce the number of duplicate back-office roles between the GLA and the employment agency standards inspectorate, and will help to deal with issues such as trafficking. In the last few years, some Conservative Members have drawn attention to the amount of trafficking that is taking place, with the support of Oxfam, Anti-Slavery International and the Home Affairs Committee.

Mr James Gray (North Wiltshire) (Con): Like the hon. Gentleman, I supported the introduction of the 2004 Act, but does he agree that there have been problems in the way in which the GLA has operated since then? Some parts of it have become bureaucratic and interventionist, and some parts are expensive. Some legitimate gangmasters have encountered difficulties in their legitimate operations as a result. If the hon. Gentleman's Bill becomes law, will he ensure that the GLA's application to the building industry is slightly different from its application to the agriculture and food industries?

Mr Hamilton: That is not the information that I have received. Many people say that, by and large, the arrangements have worked very well. However, we will certainly need to tweak the system to ensure that it applies properly in the construction industry, and that the beneficial developments in the agriculture industry are transferred. It is not a question of increasing bureaucracy.

Construction is a dangerous industry, with a bad record on health and safety and employment rights and a record of avoidance of employment taxation. The Bill will tackle those problems. The Gangmasters Licensing Authority works; it does a good job and is supported by a wide range of groups including unions, employers and industry groups, as well as non-governmental organisations such as Oxfam and Anti-Slavery International. The GLA has forced rogue gangmasters out of the relevant sectors, but not out of the economy. Our aim is to the extend the GLA's powers, and to transfer powers away from the employment agency standards inspectorate, a failing body that does nothing to support or protect honest employers.

Mr David Nuttall (Bury North) (Con): For the benefit of new Members such as myself, can the hon. Gentleman explain what has changed in the six years since the original legislation was passed in 2004? Why is it now felt to be necessary to add construction workers, when they were not included in the original measures?

Mr Hamilton: We have just sat through three hours of debate on another Bill, so I cannot go into all the details of such arguments as the time available to me has been cut right down to the bone. It is right that we discussed that earlier topic of course, and in that debate it was said that we should have an experiment and review things. Similarly, we said at the time of the original Bill that we would review how the GLA worked, and at some point we might come back with further proposals. We are doing that now. We have looked at the legislation and how it is working, and we now feel it is appropriate to transfer powers into this new area.

Andrew Bridgen (North West Leicestershire) (Con) *rose—*

Mr Hamilton: I have not got much time, so I am trying not to take too many interventions.

Members come to this House for a range of different reasons. When I was a young delegate at a colliery, I had to do one the saddest things I have ever had to do in my life. A young lad in his 20s had been killed in an accident. Along with a colleague, I had to go to see his mum and dad the following day to explain what had

happened in the accident. I therefore have a vested interest. I have a lot of friends who work in the construction industry, and I worked in a dangerous industry. I know what things are like. The saddest thing anyone could ever have to do is go to a household who have just lost a beloved one who had their whole future ahead of them. The effect of such an event on a family is terrible. That is why I am passionate about making sure that, where appropriate, health and safety legislation is put into operation. That is important.

I also believe the Government should look seriously at creating a single employment inspectorate and enforcement agency. The point has been made in the past that there are too many organisations working in silos; there are too many organisations working independently of each other and fighting over different issues. I know that many friends—indeed comrades—in the trade union movement do not want the role or structure of the Health and Safety Executive to be altered, but I think there is a strong case for merging the GLA, the employment agency standards inspectorate, the HSE and the minimum wage enforcement responsibilities of Her Majesty's Revenue and Customs into a single body that could also work closely with the UK Border Agency. One such organisation or inspectorate covering all these bases would reduce the massive amount of administration involved in many cases and would mean the various agencies were working not independently, but with each other. That, in turn, would reduce the costs of each of these organisations while at the same time enabling them to be more effective in what they do.

Mr Gray: The hon. Gentleman seems to be moving away from what I understand to be the central purpose of his Bill. He is talking now about amalgamating the UK Border Agency, HMRC and other organisations, and creating one large organisation, which I fear would be particularly bureaucratic and difficult to control. Will he explain why he is seeking that very considerable bureaucratic change, when the purpose of the Bill seems to me to be reasonably simple and straightforward?

Mr Hamilton: The hon. Gentleman raises a correct point. If I had been able to read my entire 31-page speech, I would have answered all such points, but I have had to limit my remarks in order to allow the Minister to respond. This is an ambition. The GLA does good work in agriculture and we are seeking to extend its good work to the construction industry. That is what the Bill would do; it is as simple as that.

In my discussions with the Minister, I have suggested that other measures could be looked at in future to reduce the bureaucratic structure of many of the current organisations. My only interest in this topic is to help honest companies, who are competing against dishonest companies, and to protect employees. That is the key to the whole thing. I shall finish on that note, and I wish to thank everybody for being here for the debate. All I ask of the Minister is that in the interests of fairness, which was displayed in the previous debate, this Bill should go into Committee so that we can iron out a number of these issues.

2.20 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I congratulate the hon. Member for Midlothian (Mr Hamilton) on securing parliamentary time for his Bill. I recognise the depth of his interest in health and safety matters and in securing decent working conditions. Obviously he had a track record in this area before he came to this House, and it was a pleasure to meet him to discuss his Bill prior to today. I hope that I have a few things to say to him in the time that is left to me—

Mr David Hamilton: Sit down.

Mr Davey: The hon. Gentleman tempts me to sit down, but I will not be doing so quite yet because it is important to put the Government's position on the record. I wish to say a few things that I think will have made his efforts worth while.

This Government, too, are committed to improving health and safety, particularly in construction, to ensuring fairness in the workplace and to encouraging and raising levels of compliance with workplace rights, in the construction sector and elsewhere. Where we differ with the hon. Gentleman is on whether licensing would be an effective solution to problems in the construction sector. Of course, licensing has its place as a tool in the regulatory arsenal. It is used in relation to labour providers in agriculture and food processing, as he said, and there are other examples too. However, licensing is an expensive and untargeted system of regulation. It burdens all with fees and inspections—the good and the bad alike—and with the risk that the worst businesses evade licensing altogether. Licensing can be an appropriate response to particular problems in particular sectors, but that does not mean it is appropriate in all cases.

Andrew Bridgen: I declare an interest, as I am a major shareholder in a food processing business in my constituency. North West Leicestershire is a major provider of building materials and is the base for many large construction companies, as hon. Members are perhaps aware. There is a huge difference between the agricultural and food processing industry and the construction industry, and therefore in the regulatory burden that those industries can carry. The food and food processing industry is a non-cyclical business—parts of it can even be counter-cyclical—and has been almost unaffected by the economic downtown, whereas we know that we cannot say that of the construction industry. I am very worried that any further burdens on the construction industry at this particular time, when it is struggling to deal with the effects of the last recession, could be particularly burdensome. It is not fair to compare the construction industry now with the more resilient food processing industry.

Mr Davey: My hon. Friend is exactly right in his analysis of the construction industry and of how we use licensing as one of the tools to deal with everything from health and safety to fairness in the workplace. We need to consider the conditions that need to be met before something such as licensing is appropriate. We need to consider whether existing enforcement arrangements are inadequate; whether there is hard evidence of illegal activity; where a licensing system would be a proportionate and effective way of tackling the problems that are seen; and where licensing would be practicable, enforceable and, finally, affordable. The Government do not consider that those tests have been met for the construction sector.

[Mr Davey]

There is a misapprehension in some quarters that employment agencies that supply labour to the construction sector are unregulated, and that workers are unprotected. In fact, regulatory safeguards are already in place for all agency workers, whichever sector they work in. For example, employment agencies operating outside the Gangmasters Licensing Authority's sectors have to comply with health and safety and working time legislation enforced by the Health and Safety Executive. They must also comply with the national minimum wage regulations enforced by Her Majesty's Revenue and Customs. In addition, they must adhere to special employment agency regulations enforced by my Department's employment agency standards inspectorate—the EAS—which responds to complaints from agency workers, and carries out an additional programme of proactive, risk-assessed inspections each year.

On health and safety legislation and the work of the HSE in the construction sector, the hon. Member for Midlothian is rightly worried about health and safety, which is a big concern for the sector, but I am not convinced that a licensing system would improve the sector's health and safety record. The GLA applies a range of licensing standards. The conditions for health and safety are intended to ensure agreement between the labour supplier and the hirer about who will have responsibility for managing day-to-day health and safety, including the preparation of risk assessments, but that is already clear in construction.

Under the Construction (Design and Management) Regulations 2007, the principal contractor has responsibilities for ensuring the health and safety of all individuals who work on a construction site regardless of their employment status. This includes directly employed workers, labour-only sub-contractors and the self-employed. In addition, each contractor working under the principal contractor has duties to every individual working under their control. Those duties are on top of the requirements that individual employers have to their employees. Duties of the principal contractor include the requirement to consult all workers involved in a project to ensure that the measures taken to protect their health and safety are effective.

Gordon Banks (Ochil and South Perthshire) (Lab): I am listening to the Minister's remarks with great interest. He has explained his position on why the GLA is not relevant to the construction industry, but will he expand on why he has changed his mind since signing early-day motion 1366 in 2009?

Mr Davey: I have considered all the issues that would have to be taken into account, such as whether it would be appropriate, proportionate and justifiable, and it is clear that the EAS does an extremely good job and that it deals with all the problems. Let me quote some of the statistics, which are worth bearing in mind. In 2009-10, there were 42 fatal injuries to workers in construction, with a fatal injury incidence rate of 2.2 per 100,000 workers per year. That compares with 105 deaths and a rate of 5.9 per 100,000 per year in 2000-01. Injury rates are also at an all-time low since the reporting regulations changed in 1995. That is done under the existing system. There has been some success and the previous Government should take credit for that.

It is clear that an extension of gangmaster licensing is not the way forward, but there is a case for taking a fresh look at our compliance and enforcement arrangements. As the hon. Member for Midlothian said, existing enforcement functions are undertaken by a number of bodies, including the EAS, HMRC, the GLA and the HSE. The Department for Environment, Food and Rural Affairs also has a role, in enforcing the agricultural minimum wage, but that will disappear with the proposed abolition of the Agricultural Wages Board as part of the public bodies review.

The single pay and work rights line has drawn those bodies closer together and has been a major step forward in creating a single port of call for workers who want advice or to report an abuse. It has also been a powerful spur to more joint working between the enforcement bodies, which are now carrying forward multi-issue cases together on a regular basis. However, the time is right to ask whether it is possible to build on the progress that has been made. I am therefore announcing today an intention to review the Government's workplace rights compliance and enforcement arrangements to establish the scope for streamlining them and making them more effective. I hope that the hon. Gentleman will welcome that announcement. The review will be undertaken next year, when other priorities permit, and will be part of the wider rolling review of employment law being co-ordinated by my Department.

Mr David Hamilton: Who will undertake the review and who will be included in it?

Mr Davey: It will start in my Department and I envisage it looking at different ways of organising the Government's compliance and enforcement work. It will consider whether incremental improvements can be made to encourage further co-ordination and joint working, such as better legal information sharing gateways and governance machinery, which would allow priorities to be discussed and set on a broader, cross-agency basis. I envisage it considering whether online and helpline employment law advice channels can be linked and streamlined. I also want it to look at the potential cost and operational benefits of enforcement models that would consolidate enforcement functions in a single body or fewer bodies.

The review will initially be carried out internally within the Government, as I said to the hon. Gentleman, but will involve meetings with key interested parties to solicit views and test thinking. My Department will publish a statement of initial findings and intended next steps next year in the context of progress reports on a wider employment law review—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 28 January 2011.

Business without Debate

FACE COVERINGS (REGULATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 2 December 2011.

SECURED LENDING REFORM BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 21 January 2011.

PARLIAMENTARY STANDARDS (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Thursday 16 December.

Adam Afriyie (Windsor) (Con): On a point of order, Mr Deputy Speaker. Is it recorded in *Hansard* that it was a Government Whip who objected to the Second Reading of the Parliamentary Standards (Amendment) Bill?

Mr Deputy Speaker (Mr Nigel Evans): I have not the faintest idea. As the hon. Gentleman knows, we will wait until *Hansard* is published. It is an accurate reflection of what is said in the House.

Adam Afriyie: Further to that point of order, Mr Deputy Speaker. Yesterday the House resolved unanimously that, if needed, the Government would allow time to amend the Parliamentary Standards Act 2009. If an amendment Bill does not come to Committee within the next few weeks, there will not be enough time even to leave that option open. Have you received information from the Leader of the House or news of a statement from the Leader of the House on this subject?

Mr Deputy Speaker: No, I have not received from the Leader of the House any statement or indication that a statement is to be made, but I am sure that those on the Treasury Bench will have heard what the hon. Gentleman said.

Turks and Caicos Islands

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

2.31 pm

Andrew Rosindell (Romford) (Con): I refer the House to my entry in the Register of Members' Financial Interests.

The Turks and Caicos Islands are a territory of the Crown for which we in Parliament have ultimate responsibility. During the past few months, I have spent considerable time dealing with the multitude of issues relating to the Turks and Caicos islands, in my capacity as chairman of both the Turks and Caicos Islands all-party parliamentary group and the British overseas territories all-party parliamentary group, as well as in my capacity as a member of the Foreign Affairs Committee. I am thus extremely grateful for the opportunity to address the House this afternoon on this most pressing of subjects.

The Turks and Caicos Islands are a territory of some 26,000 inhabitants situated just south of the Bahamas on the cusp on the Atlantic ocean. They have been British in one form or another for several hundred years and were a dependency of Jamaica until 1962, when they became a Crown colony or British overseas territory, as we now call them. The islands that encompass the territory are well known for their award-winning beaches, world-class hotels and spectacular climate. Indeed, the tagline of the islands, "beautiful by nature", could not be more appropriate. These aesthetic factors, coupled with a prime location for tourism, an English-speaking populace and a British constitution and judicial system made the islands one of Britain's most successful territories.

However, the Turks and Caicos Islands of the present set a far more sombre scene. Endemic corruption, economic turmoil and violent crime are rife. The people of the Turks and Caicos Islands are currently hard pressed for optimism. Sadly, these previously dynamic islands have been in more or less perpetual stagnation for the past 18 months. The questions we all have to ask are: how has that been allowed to happen under the British standard, and why is so little being done to rectify that unacceptable situation?

The issues stem from the previous Administration, who presided over systematic corruption, selling off vast swathes of Crown land and running the islands as a personal fiefdom, despite the protestations of the resident populace, who fruitlessly whistle-blew to the UK Government. Finally, on 18 March 2009, after almost seven years of systemic corruption and on the advice of her UK Ministers, Her Majesty the Queen issued an Order in Council, giving the Governor the power to suspend the constitution. In August that year, the order was enacted.

Many saw the UK Government's intervention as a necessity, and on the day of the suspension people walked down the street waving Union Jacks, with every faith that, in true British spirit, Her Majesty's Government would restore the territory to its former glory. So, where has it all gone wrong? How has this proud and loyal British territory found itself in an arguably worse position than before the UK Government took direct control? I am sure the Minister will tell us shortly.

[Andrew Rosindell]

I intend to outline the issues facing Turks and Caicos, the root causes of those problems and how I feel Her Majesty's Government can address the urgent matters at hand. Let me preface that by paying tribute to the current governor, His Excellency Gordon Wetherell, and his team. I have seen at first hand the terrific challenges that they face, and I do not envy their task. They do a sterling job, and given the conditions we could not expect more of them.

There are, however, failures, and they are the fault not of the interim Government but of the completely insufficient support that they have been afforded by Her Majesty's Government and, moreover, the previous Labour Government, in particular, who grossly under-resourced the Administration and expected the impossible.

In August, I was fortunate enough to visit the Turks and Caicos Islands, where I met hundreds of local people, businessmen, politicians, Government officials, community workers and church leaders. All of them were desperate to have their voice heard, frustrated by the lack of action and deeply concerned about what the future might hold for them. The islands are truly in crisis.

On one afternoon during my stay at the Governor's residence, "Waterloo", on Grand Turk, there was an armed robbery only a stone's throw from the property. Violent crime has completely spiralled out of control; guns and illicit substances are being smuggled over on sloops from Haiti, and there is no way to enforce the borders or territorial waters. There is, however, a $2.5 million radar system that would significantly alleviate the problem, but for more than 18 months it has sat in a crate deteriorating, while sheer bureaucracy prevents its installation. Already, the storage fees exceed $50,000, and that is a disgrace.

Meanwhile, the once sound infrastructure of the islands is crumbling, education is declining and illiteracy is rampant. Schools and teachers have their limited resources stretched to capacity, and there is no meaningful approach to vocational training, with only 2% of students going on to college.

The prison on Grand Turk is desperately overcrowded, with minors and adults sharing cells, and it was called little more than a "training college to harden criminals" by some of the community leaders I met. That problem is compounded by a severe backlog in the justice Department, with courtrooms in meltdown and the local magistrates simply unable to deal with the backlog. I believe that many problems can be attributed to the civil service of Turks and Caicos, which needs to be completely rebuilt. There have been no audited financial records since 2006, and there are an untenable 2,300 people on the payroll. A large proportion of the civil service has been compromised by corruption, yet there is little attempt at reformation. It currently takes about six months to process a driving licence and 11 months for a work permit. The level of "pay to play" bureaucracy is utterly unbelievable. At the same time, the islands are, as one resident put it, "being micro-managed into oblivion". Layer upon layer of legislation is bottlenecking the last vestiges of enterprise. Until the civil service is reformed, the work of the interim Administration will continue to be undermined. That must be a priority.

Even with all those problems, the islands are primed for investors. I have it on good authority that there are businesses and individuals waiting in the wings to plough investment back into TCI. Turks and Caicos desperately needs to bring that business back. Business built the islands and it has been their lifeblood over the past three decades. To put it simply, if the Government continue to allow an unfavourable climate for private enterprise, the islands will not recover.

The people of Turks and Caicos have not given up; they will do everything possible to put their islands back on track and we have a duty to help them. The overwhelming majority of people want to create a climate of genuine partnership. The interim Administration and the Governor's office can depend on assistance from the private sector in almost every aspect of restructuring. Those in the private sector have offered office accommodation, professional services and even their own money to assist, but they are continually met with barrier after barrier. Their frustration is completely understandable. They appreciate that finances and resources are tight, and that we live in a climate of austerity. They are looking not for handouts or bail-outs, but for stability and economic security. Her Majesty's Government have a duty to provide that.

Hanging over all these matters is the remorseless task of discovery by Helen Garlick and her officers, who compose the special investigation and prosecution team that has spent the past 18 months uncovering the web of scandal, fraud, bribery and corruption that silently choked the islands into their current condition. Although I appreciate that their task is complex, there have been no prosecutions. Given that the cost of the investigation is about $500,000 a month and that it is funded exclusively by the Turks and Caicos interim Government, people on the islands are understandably in uproar. It is in everyone's interest that there should be prosecutions imminently, that the uncertainty is cleared up and that a line is drawn so that the territory can move forward. Clear and concise parameters must be set. The people of Turks and Caicos cannot be expected to entertain open-ended speculation about when the problems will be resolved.

Finally, the constitutional reform process is one of the more emotive problems. It has been met with fierce hostility by the "belonger" population and the political parties, which have conducted their own review. All I will say is that the Government need to remember that a political system cannot and should not be imposed on an unwilling population. Such reforms must be conducted in conjunction with the people—there is no other way to go about it in a modern democracy. The next election in the Turks and Caicos Islands has been announced for 2012. That deadline must be met so that democracy is restored to the people of the islands by that time at the very latest.

The perpetuation of the current situation is unthinkable. Turks and Caicos is in crisis and if immediate action is not taken by Her Majesty's Government, the territory will continue to deteriorate. A letter dated 4 February 2010 from the Foreign and Commonwealth Office to a resident on Grand Turk stated:

"Whilst UK Ministers are keenly aware that the TCI Government has severe difficulties in meeting the liabilities it has inherited from the previous administration and that significant challenges remain, they are of the view that it would be inappropriate for

UK taxpayers money to be used to fill a deficit created by the financial mismanagement of the previous administration."

That is an appalling and inexcusable stance. The people of the Turks and Caicos are British, too, and they deserve our support. The previous Government should be ashamed of how they handled the situation there, and of the relationship that they fostered with the overseas territories in general.

I can assure the House with certainty that the bill for the UK taxpayer will be far greater in the long run if urgent action is not taken now. I have every faith that our new Conservative-led government will do everything in their power to ensure that the current wrongs are righted and that the failings of the past are corrected. We need to deploy more civil servants from the UK to reform the TCI civil service and more police to crack down on crime, and we need to draw a line under prosecutions to ensure that the full weight of the law is brought down on those who were deceitful. We also need to ensure that more funds are made available to the TCI, and not simply to tide the islands over for a few more months. It must be enough to stimulate the economy back into action radically.

I speak frankly when I say that there is no use in a package of support that is aimed merely at maintaining the status quo. I recognise that in the current climate of austerity no decision on finance is taken lightly, but I put it to the Government that they have committed to giving millions of pounds in aid to foreign countries, and yet let poverty and despair be fostered on our very own soil. Her Majesty's Government now have an ideal opportunity to change that in the Turks and Caicos, and with the right attitude and approach we can show our citizens overseas that they are not on the periphery of government and that no matter where one is in the world, British is British is British.

The Government need to show the global community that just because someone happens to live in a different time zone from London, it does not make them any less British. With that in mind, the people of the Turks and Caicos should be afforded the full support of the Government to ensure that they realise a secure and prosperous future. They will not be impressed by more rhetoric.

At this point, I wish to commend Her Majesty's Government in Canada, who, despite having no responsibility for the Turks and Caicos, are sending over members of the Royal Canadian mounted police to help us rescue the situation. Should that not be our responsibility? It is, after all, a British territory, not a Canadian territory.

The people of the Turks and Caicos islands want to see fast and radical action from Her Majesty's Government here in London to restore to their homeland the governance that one would expect for a British overseas territory, a territory of the Crown.

2.47 pm

The Lord Commissioner of Her Majesty's Treasury (James Duddridge): It is a particular privilege to speak at the Dispatch Box on this important issue, and I thank my hon. Friend the Member for Romford (Andrew Rosindell) for securing the debate. He has a long history of support not only for the proud and loyal Turks and Caicos Islands but for other overseas territories, an advocacy that I am sure he will continue not only as chairman of his all-party groups but as a senior member of the Foreign Affairs Committee. Following his visit in August, he produced an interesting report on the Turks and Caicos Islands, which I have read in detail and reviewed with civil servants. I hope to address a number of points raised in that report as well as in the debate.

As my hon. Friend knows, this Government's approach to the overseas territories is very different from that of our predecessors. We are proud of our shared history and value the territories as part of the wider British family. We want our relationship to be mutually beneficial and successful. We know there are many challenges, but our relationship is strong enough to tackle them as they arise. Our support for the islands is a good example of our new approach.

My hon. Friend referred to the islands as being our very own soil. We are committed to the principle that the overseas territories should have the first call on the UK's aid budget. However, that cannot be in the form of unconditional handouts of UK taxpayers' money. We are providing support in the Turks and Caicos Islands where it will have the most lasting benefit by, for example, funding advisers to develop the wide-ranging reforms that are needed, giving temporary financial support to help protect the islands from financial collapse, and funding the deployment of UK police officers. We are doing what we can to support the territory despite the financial crisis here in the UK. In exchange, we want the territory to manage its affairs as successfully and effectively as possible. In today's world, that means sound public finances, with high-quality and accountable government and public services.

The Government will change how we handle overseas territories business. We plan to involve other relevant Departments in our new strategy. The FCO will continue to lead and co-ordinate the work of Her Majesty's UK Government on the overseas territories, but there is a role for much wider and deeper engagement and commitment by other Government Departments and bodies in the UK. We have already adopted such an approach in the Turks and Caicos Islands.

We want to open doors between the territories and the UK. We want to see more co-operation between central and local government, and the public and private sectors, which my hon. Friend mentioned. We want to do more to support economic and commercial development in the territories. My hon. Friend is right to say that fostering such development is essential. However, we cannot ignore the importance of good governance and a strong, independent public service. That is in everybody's interests and is crucial in returning the islands to prosperity. A very important part of that is public financial management, but there are other weaknesses, such as a lack of transparency, a failure to follow due process, and—frankly—poor performance by some public officials, which must be addressed.

An enormous amount of work has gone into the islands since the constitution was suspended in August 2009. Much progress has been made on tackling the considerable financial, economic and governance challenges that the Governor and the interim Government inherited. A team of UK-funded technical experts is working hard with the Turks and Caicos Islands public service. Together, they are making improvements across a wide range of areas for the benefit of the islands. The FCO

[James Duddridge]

has funded experts in fields such as immigration, Crown land, good governance, revenue and customs, constitutional and electoral reform, and very importantly, economic development, to which my hon. Friend referred. The Department for International Development has funded experts in public financial management, including a chief financial officer, who arrived in September.

However, as my hon. Friend pointed out, much remains to be done. The UK Government have monitored the work of the current Turks and Caicos Islands Government since the suspension of parts of the constitution in August 2009 and considered carefully the challenges that lie ahead. Taking those factors into account, in September, the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North West Norfolk (Mr Bellingham), announced during his visit to the Turks and Caicos Islands that the UK Government did not want to postpone elections any longer than absolutely necessary, but that they could not, alas, be held in 2011. He said that before the end of this year, he would set out milestones that would need to be met before elections could take place, ensuring clarity for everyone involved, both here and on the islands. I expect him to come forward with those in the coming weeks.

The Under-Secretary made many recommendations in his recent report, and I should like to address those in the seven minutes remaining. The UK's support for the Turks and Caicos Islands cannot take the form of unconditional handouts of UK public money. I am sure that my hon. Friend the Member for Romford will agree that ultimately, we want the Turks and Caicos Islands to stand on their own two feet, but within the broader family.

My right hon. Friend the Secretary of State for International Development said in a written ministerial statement in July that DFID had decided to propose a temporary package of financial support to the islands. That support is conditional on the Government strengthening their capacity and systems to manage their public finances and balance their budget within the next three years, which is a very tough challenge, as we know from the ones that we face on the mainland.

The DFID-funded chief financial officer is heading this difficult work, and to address the immediate shortfall, the Department has provided short-term loans to the islands. That will help. Our aim remains to restore and firmly embed the principles of sound financial management, sustainable development and good governance, which will help to rebuild confidence in the Turks and Caicos Islands and their ability to manage their own affairs. A public sector reform adviser has been funded by DFID, but only arrived in the Turks and Caicos Islands this week. I am sure that that person will have a big impact. Also an immigration adviser has been seconded from the UK Border Agency, and is already making an impact. That secondment was funded by the Foreign and Commonwealth Office. The UKBA adviser has been there since September and is doing well.

The constitutional and electoral reform adviser published her latest recommendations on the Turks and Caicos Islands in mid-November, and the people of the islands have until 14 January next year to submit further comments on those recommendations. The political parties on the islands have been encouraged to participate in the consultation process, and I encourage them further in that, because it is incredibly important that all parties engage during these difficult times to produce the right solution, not just for the UK Government but for the people of those islands. Importantly, that consultation process will include an invitation from the Turks and Caicos Islands advisory council and the consultative forum to discuss their recommendations and those of the adviser.

In the light of the commission of inquiry's recommendations, improvements will be made to a number of areas of the islands' constitution. Some of the issues under consideration are more sensitive than others. For example, there will be a need for increased oversight by the Governor, whom my hon. Friend met—I am glad that the visit went well. He holds the Governor, who is doing a very good job, in high regard. However, there might be a need for increased oversight by the Governor in a new constitution. There is also the sticky issue of who will be able to vote in a forthcoming election, so we will have to consider the franchise in a lot more detail. There are a number of difficult issues, but there is no reason to duck them. The future stability and good governance of the Turks and Caicos Islands is at stake.

It is critical that we get the investigations right. The UK Government have agreed to provide the initial funding needed to set up a special investigation and prosecution team. The FCO funded the team from its creation in August 2009 until February 2010, at the significant cost of approximately £600,000. The cost of the team has now transferred, as my hon. Friend is aware, to the Turks and Caicos Islands Government, and the DFID-funded chief financial officer has included the cost of the team in her budget calculations.

My hon. Friend talked about the speed of prosecutions. That, quite properly, will be a matter for Helen Garlick and the Attorney-General, rather than the UK Government. I agree with my hon. Friend that there has been a worrying increase in violent crime on the islands—he witnessed it himself. Steps have been taken to increase the penalties for gun crime and increase the police presence on the islands, particularly on the main island of Providenciales. I am pleased to say that the FCO has funded the deployment of five Metropolitan police officers, in addition to the Canadian officers whom he has already mentioned. The Metropolitan police officers arrived last month and are working well with the Royal Turks and Caicos Islands police to review current unsolved cases of violent crime, including murder and armed robbery. The officers are also providing guidance and advice on lines of inquiry for intelligence and investigations.

My hon. Friend asked about prisons and radar. I will write to him on those subjects.

As I said at the start of my speech, the Government are taking a new approach to the overseas territories—an approach exemplified by the support that we are giving to the Turks and Caicos Islands. Much work has been done and much progress made, but I acknowledge that much more remains to be done. We will work with the Governor and all the other bodies to ensure that this happens. The UK Government and the current Turks and Caicos Islands Government, led by the Governor, will continue to work hard to ensure that the principles of good governance, sound financial management and sustainable development are firmly embedded across the public service and the wider society.

I commend my hon. Friend for his interest and support, which I am sure will continue, and which stands the Turks and Caicos Islands Government in very good stead. I promise to write to him with a full and proper reply on prisons, rather than rush one in the remaining time available to me at the Dispatch Box today.

Question put and agreed to.

3 pm

House adjourned.

Westminster Hall

Tuesday 23 November 2010

[MR MIKE WEIR *in the Chair*]

High Speed 2

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Vara.)*

9.30 am

Steve Baker (Wycombe) (Con): I am grateful for the opportunity to open this Adjournment debate on the principal infrastructure project of our time: High Speed Rail 2. It is a pleasure to serve under your chairmanship, Mr Weir.

The railway system of Great Britain is the oldest in the world. It developed from a patchwork of private local rail links provided by entrepreneurs, and via amalgamations, temporary state control, nationalisation, highly regulated privatisation and part-renationalisation it became today's system, which is, as one of my colleagues on the Transport Committee has said, "neither fish nor fowl".

It seems that this country has tried every conceivable governance model for rail, yet the subject remains contentious. I should like to deal with three questions. First, should a high-speed rail route run through Buckinghamshire—specifically, the Chilterns area of outstanding natural beauty—against the wishes of local people? Secondly, should any area of the country be forced to accept high-speed rail? Thirdly, if transport resources and capital are scarce, what is the best approach to relieving that scarcity? I intend to demonstrate that High Speed 2 should not be run through Buckinghamshire or any area of the country and that a new, more classically Liberal and Conservative approach should be taken towards British transport policy.

I acknowledge the help and support of my Buckinghamshire parliamentary colleagues in preparing this speech. However, I have not sought their approval for this final version. My colleagues in the Government have emphasised that their opposition does not necessarily extend beyond the route. I also acknowledge the large number of high-quality submissions I have received from the people of Buckinghamshire. I am sorry that time has prevented me from including all their important points.

I should like to make clear my support for the Government's intent. I am certain that the Government—the Transport team in particular—are fully committed to this country's economic renewal and all-round success, and I applaud them for it. I am most grateful to the Secretary of State for confirming that the public consultation will cover not just the route, but the strategic case for high-speed rail. I am relieved that the Government will make their arguments with an open mind. I shall try to do likewise.

First, on local issues, should a high-speed rail route run through Buckinghamshire, specifically the Chilterns AONB? The Chilterns AONB is a rare, precious landscape benefiting not just those who live there but the millions who visit every year from across the country, particularly, due to its proximity, from London. I have lived adjacent to the AONB for almost three years and can confirm that it is one of Britain's most beautiful and ecologically rich landscapes.

The preferred route of HS 2 crosses the AONB at its widest point, in contradiction to the policy followed for HS 1. In Kent, the route of HS 1 was amended to avoid the North Downs AONB. By contrast, HS 2 appears to have been deliberately routed through the least spoilt, widest part of the Chilterns.

Rehman Chishti (Gillingham and Rainham) (Con): My hon. Friend mentioned High Speed 1. HS 1 was introduced in Gillingham and Rainham, in Kent, about a year ago and there are lessons to be learnt from that. Does he agree that a new fast service should not be introduced at the expense of the existing train lines? The number of services from Gillingham to Victoria and Cannon Street stations was cut. Lessons have to be learnt. The routes, services and timetable cannot be changed at the expense of HS 1. Another lesson has to be learnt in terms of cost and affordability: HS 1 fares in Kent have increased by 30%.

Steve Baker: I agree. I shall return to the economics of HS 1 later.

Some 59 different protected species have been recorded within 1 km of the route of HS 2. The recommended route involves tunnelling directly through an aquifer, risking reducing the water table and exacerbating low flow in the Chess and Misbourne. It also risks possible contamination of the ground water. The environmental impact of the recommended route of HS 2 would be enormous. I am therefore calling for an official environmental impact assessment of the preferred route well in advance of the planned consultation, so that interested parties can fully digest its findings. In Kent, the route was altered to run beside the existing M20, a major strategic transport corridor, which reduced incremental noise pollution and landscape damage. I am surprised that a similar approach has not been adopted for HS 2. The M40 in my constituency is infamous for its proximity to housing and for its meandering path.

Opposition to high-speed rail is substantial in Buckinghamshire. On 7 November, an HS 2 rally took place in Great Missenden, where more than 2,000 people demonstrated their opposition. At the rally, the noise that HS 2 will make was played to the audience. Many were shocked by what they heard. The noise over the speakers may or may not accurately represent what HS 2 will sound like, but it reinforces the need for HS2 Ltd or the Department for Transport to provide noise maps and proper analysis of the noise impact that people will face. HS2 Ltd said, in a letter dated 8 October about noise assessment studies:

> "On the subject of noise assessments, an Appraisal of Sustainability is currently being finalised and will be published ready for the launch of the consultation in the new year".

We are impatient. It is now well over a month since then, but there is no sign of any further information. It is unacceptable for HS2 Ltd to keep delaying this important study.

Part of the planned preferred route slices through a corner of my neighbouring constituency at Denham in Buckinghamshire. The route enters the constituency

[Steve Baker]

through a site of special scientific interest in the Colne valley. There is no doubt that the railway line, which at that point would be on some type of viaduct, will have a seriously adverse impact on the environment. For example, the railway would culvert the River Colne along a several hundred yard stretch in an area where there has been a long struggle to maintain the rural aspect of a river valley that has significant environmental importance. With all this in mind, will the Minister please ensure publication of the environmental impact assessment at the earliest possible moment?

There is no benefit to Buckinghamshire from accepting high-speed rail. The project would have to be bullied through against the well-grounded wishes of those affected, causing not just the environmental damage described but also infringing the property rights of large numbers of people. Doing so would thoroughly undermine the Government's commitment to increasing people's power over their own lives. From Buckinghamshire's perspective, the answer to whether HS 2 should run across the county is, of course, a resounding no. Buckinghamshire people are bound to object to a programme that would merely blight our beautiful county and trespass on local people's businesses and the quiet enjoyment of their homes. I find myself asking, "Should any area of the country be forced to accept high-speed rail?"

Having had the privilege of living in many areas of the country throughout my adult life, it is my view that Buckinghamshire's arguments would find parallels in most parts of the country, particularly those with designated areas of outstanding natural beauty. Why should anyone tolerate the demolition of their home or business? Why should anyone accept the ruination of a swathe of countryside? Why should anyone agree to so much noise and disruption? The answer, of course, lies in the national interest.

To justify so grotesque an intrusion into property rights and local collective enjoyment of the natural environment, the Government must be certain that the benefits of HS 2 to the whole nation would far outweigh the high costs that would be imposed along the route. Clearly, if a high-speed rail network will usher in a new age of incomparable prosperity for the whole country, regenerating the industrial north and reuniting it with the south, we must all support it.

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Gentleman on securing the debate. He makes a strong case, as one would expect from a constituency MP working on behalf of his constituents. Does he accept that there may be some benefits for his constituents? The alternative to high-speed rail is that people do not travel or—more likely—that journeys are made by air or by road. That has an impact on the environment in the form of air pollution, for example, and noise nuisance, which might also affect his constituents.

Steve Baker: I am grateful to the hon. Lady for her intervention and I will return to some of those points, in particular how we make a judgment between road, rail and air travel.

If it is not true that high-speed rail is in the national interest, and if such a project will offer only marginal and uncertain benefits at vast expense, it would be in no one's interest. I am delighted that the Government wish to ensure the prosperity of the whole nation, but it has not been demonstrated that HS 2 will deliver that. To justify such a grievous impact on the people and landscape of Buckinghamshire—and indeed along the entire length of the route, wherever it is located—the Government must place the economic and environmental case for the programme beyond all doubt. I do not believe they have yet done so.

High-speed rail is not commercially viable, so the expense is justified with a wider cost-benefit analysis. That analysis relies on assumptions, including excessive demand, generous benefits and a flawed analysis of the alternatives. I shall only touch on each point today, but I am sure that campaigners will furnish us with full details during the course of the inquiry.

The projected increase in demand is open to challenges that include demand saturation, a broken relationship with GDP, out-of-date data, neglect of new technology, and inadequate anticipation of competition from classic rail—a problem that blighted HS 1. The case for benefits neglects the fact that many of us work on the train, and it depends on implausible levels of crowding. The Department for Transport's alternative, Rail Package 2, is paid too little attention, despite meeting demand with less crowding than would occur should the HS 2 programme go ahead. At £2 billion, the package is much less expensive. It is better value for money and capable of incremental delivery, setting it free from the risks associated with long-range economic forecasting. Rail companies could lengthen trains to nine, 10 or 11 cars. That would increase capacity from 294 to 444 seats—an increase of 51%. Unused first-class capacity could also be swapped for standard seats, thereby further increasing total capacity.

It is a myth that the UK lacks a fast national railway network; we have had one for a long time. We have routes capable of 125 mph, with quicker rail journey times between the capital and the five largest cities than in other major western European countries. For instance, the average journey time in the UK is 145 minutes. It is 151 minutes in Spain, 184 in Italy, 221 in France and 244 in Germany. In short, it appears that for £2 billion, the Government could have a complete, low-risk but unglamorous solution to the problem of rail capacity, and rather sooner than HS 2 could be delivered. Therefore, I am not convinced that £30 billion—or more—of taxpayers' money would be wisely risked on HS 2.

David Mowat (Warrington South) (Con): Does my hon. Friend accept that every infrastructure investment and transport initiative imaginable could, in the short term, be done more cost-effectively with the sort of incremental approach he has just mentioned? That does not take away the need to think strategically, and occasionally to do things that are more than just incremental.

Steve Baker: My hon. Friend makes an interesting point that we should explore at some length. In the final part of my speech I shall set out why I think we have been taking the wrong approach to infrastructure in this country.

Targeted investment in existing infrastructure would ultimately offer greater benefits to the whole country not served by HS 2, including the south-west, south Wales, East Anglia and the north-east. Such an approach

would provide a visible demonstration of productive investment during a time of austerity. I am aware that the environmental case for HS 2 can be similarly attacked, but given the time, I shall simply quote Mr Steve Rodrick, chief officer of the Chilterns Conservation Board:

"The case for HS 2 is largely built on capturing the internal aviation market, but 80% of all journeys between Manchester and London already involve the train…These trains will use double, possibly triple, the energy of normal trains. Where's that energy going to come from? You either have to bank on nuclear coming on stream or, more likely, power stations running on fossil fuels, which will involve significant carbon emissions."

I also recommend Christian Wolmar's 15 September article for *RAIL* magazine, which states that the arguments against HS 2 are mounting. His tour de force concludes by explaining that HS 2 would absorb money that would otherwise be spent on classic rail in an environment of reduced funding. He writes:

"We cannot have it all. Let's work to protect what is essential, rather than trying to reach for the moon."

Finally, I will turn to rail policy and transport strategy in the round. If transport resources and the necessary land and capital are scarce, what is the best approach to ensure optimal resource allocation? It has long been argued by the Conservative party, as it was once argued by Liberals, that unhampered social co-operation in the free market is the most efficient and effective way to allocate resources and relieve scarcity. With that in mind, I asked the House of Commons Library to prepare a summary entitled "Price controls and state intervention in the rail market." It is not, of course, a simple statement that there are no price controls or state interventions in the rail market; it is six pages long and covers passenger franchise specification, the control of fares and rolling stock procurement. It also sketches the process of almost continuous organisational change that has dogged rail since nationalisation in 1948. Contemporary rail is not characterised by property rights, freedom to contract, open competition and unhampered prices.

My task today is not that of setting out a new free market transport strategy, and I will not pretend I am able to do so. However, I wish to emphasise that rail, and road transport in particular, are not capitalist systems in the conventional sense but hybrid systems of heavily regulated and subsidised public and private companies. We have inherited a rail system whose franchise agreements descend into such detail as specifying a "biennial talent management programme" and even "time with your manager sessions." That is not freedom to contract, and clearly rail operators are not free to set market fares.

Of course, I do not want fares to rise any more than my colleagues do, but we should admit that the rail system does not operate in a free market and that therefore economic calculation is likely to be hampered, if not irrational. We simply cannot know whether today's rail economics are optimal, but it seems likely that they are not.

Jo Swinson: The hon. Gentleman is making the point that the current rail network is not a truly free-market, capitalist system, but will he not accept that there is a role for the state to play in markets where there is market failure—for example, where there has to be a national network—as has been well documented by many economists? Will he also confirm that he stood on a manifesto platform at the election that promised to

"begin work immediately to create a high speed rail line connecting London and Heathrow with Birmingham, Manchester and Leeds"

as the "first step" towards achieving a vision of a

"national high speed rail network to join up major cities across England, Scotland and Wales"?

Steve Baker: I am most grateful to the hon. Lady for giving me an opportunity to deal with that point, in which I see she takes some pleasure. In the first place, I note that economists take a range of views on these matters, and mine are perhaps rather more free market than most. On the second point, about the manifesto, Conservative candidates across Buckinghamshire stood for election saying they would oppose HS 2 and knowing that that was in contradiction to the manifesto. I personally made it clear at the time that I would oppose HS 2.

If it is true that economic calculation is likely to be hampered, if not irrational, under the present system—I am certain that it is—we should not be surprised that there is so much disagreement about economics in respect of rail. We should not be surprised when the Institute of Economic Affairs estimates that the return on HS 1 is less than half of 1% of the Government's investment per year. Nor should we be astounded that some markets for high-speed rail already show signs of saturation. For example, demand on the lines from Tokyo to Osaka and Brussels to Paris is not growing anywhere near as fast as forecast. According to the *Financial Times*, China is reviewing its high-speed rail plans for affordability and practicality. Its latest high-speed line is operating at less than half capacity, and it is projected that the lines will never make enough money to repay the large loans used to build them.

I shall leave the last word on the economics of high-speed rail to the IEA's Dr Richard Wellings, who wrote in relation to High Speed 1:

"Perhaps an unsubsidised international service could just about cover maintenance costs, with the sunk capital effectively written off. But far better returns could almost certainly be achieved by shutting down the line and disposing of the assets—which include substantial plots of land, tunnels under London and the Thames, and large amounts of scrap metal."

HS 2 should certainly not be driven through Buckinghamshire, where it would have an egregious effect on some of our finest countryside, but it is not clear at all that HS 2 should be driven through any part of our country. HS 2 appears economically irrational: it requires tens of billions of pounds to increase the UK's transport capacity by about 1%. Less money could be better spent. Moreover, that economic irrationality is almost certainly attributable to the prevailing orthodoxy in rail policy. It is an orthodoxy of planning, not the free market. We are at the end of a wasteful century of socialisation. Today, the basis of transport and, more broadly, infrastructure economics presupposes planning. It should therefore be no surprise that transport is characterised by scarcity, excessive prices and political tension.

To return to where I began, I applaud sincerely the Government's noble intent, but I note that rail has not been governed by the free market for a very long time. There is no doubt that this country needs good-quality infrastructure. We should create the conditions in which unsubsidised enterprise can deliver the optimal solution.

[Steve Baker]

That would be the classical Liberal and Conservative approach. In my view, the solution that would emerge is not likely to be high-speed rail. I believe that this programme should be cancelled.

Several hon. Members *rose*

Mr Mike Weir (in the Chair): Order. A number of hon. Members wish to speak, and obviously time is limited. I hope to start the winding-up speeches by 10.40 am, so I urge all hon. Members to be reasonably brief in their speeches. I call Frank Dobson.

9.54 am

Frank Dobson (Holborn and St Pancras) (Lab): When I first looked at the plans for High Speed 2, I was principally concerned with its immediate impact on my constituency where it comes into Euston station. Its effect there would be the demolition of 350 flats, about two thirds of a small park, St James's gardens, being concreted over, a massive inhibition on the much-needed rebuilding of Maria Fidelis Catholic girls secondary school, and problems for people in the Primrose Hill area, whose homes would be tunnelled under in a big way. However, the more I looked at the proposal, the more I thought that it was not just a matter of the damage that it was likely to do in my constituency, but that the whole project of bringing the line into Euston station and other aspects of the proposal were daft and expensive.

In saying that the London terminal should be Euston station, the projectors had to come up with ways of coping with the fact that Euston station is not on the Heathrow Express line and is not intended to be on the Crossrail route, so it does not have major connections that would be important for High Speed 2. To cope with that, the projectors proposed building a sort of super-parkway station at Old Oak Common—more commonly known as Wormwood Scrubs—and then rebuilding Euston as well. Bringing the line into Euston would also involve the boring of a 5½ mile tunnel, which as we all know is a fairly expensive item.

If the projectors had instead proposed that the line came into Paddington station, that would have made sense, because Paddington is already the terminus for the Heathrow Express and will be on the Crossrail route. The idea of coming into Euston seems to spring entirely from the fact that trains from Birmingham have always come into Euston. There is no more justification for it than that.

When I looked at the plan more widely, it seemed to me that there were other major shortcomings with it. High Speed 1 has been a great success, and certainly the refurbishment of St Pancras station in my constituency—I think that I was the first person to suggest that St Pancras should be the High Speed 1 terminal—has been a great success. The idea that we shall have just one leg of a high-speed system coming into London but not connected to High Speed 1 seems simply stupid. If we are to have a high-speed rail system that is on the end of the high-speed system in the rest of Europe, it would not be a bad idea if it was connected to it, which is not the present proposition.

Similarly, if only one leg of the system from the north will come into London, that will mean that the system is vulnerable to a major crash or terrorist activity that would close down the whole system. I make no comment on where the line should run outside London, but it seems to me that rather than a Y-shape arrangement, there ought to be an H-shape arrangement, so that coming into London are two legs, at least one of which is directly connected to High Speed 1 and would allow trains to come from the east side of Scotland, and the north-east and Yorkshire, and, if they wanted to, come into Paddington. Other trains from, say, Glasgow or Manchester would be able to cross over and come into wherever the link to High Speed 1 was located.

The scheme is badly thought out and extremely expensive. It will be amazingly damaging for my constituency. It should be withdrawn and criteria should be established that set out what on earth it is supposed to achieve. We should then come up with proposals that go some way towards achieving that.

I will move on to the scheme's affordability. I have, in theory, a degree in economics. I am convinced that economic forecasts for more than 18 months nearly always turn out to be total rubbish. I therefore do not give much weight to anybody's economic forecasts or assessments of viability for or against the scheme. History shows that all the major railway engineering projects of the 19th century went bust, were involved deeply in fraud or, more commonly, both. I do not think that a major railway project has ever paid back the original investors, unless they have benefited from fraud, such as the huge Ponzi scheme of the line to the north-east. I think we must accept that such projects never will repay their investors and that there is no free-market solution. Apparently, the Institute of Economic Affairs wants to rip up High Speed 1.

Steve Baker: On coming to this place, I did not think that I would find myself much in agreement with the right hon. Gentleman, but I am delighted to hear him speak against rail. Would it not have been good if the market had stopped the rail programmes that he has mentioned because insufficient people freely chose them to make them profitable? Money would then not have been wasted on such infrastructure.

Frank Dobson: I have never heard anybody suggest that the 19th-century railway boom in every industrialised country in the world did not contribute substantially to the economic development of those countries. Perhaps some people at the Institute of Economic Affairs are so stupid and reactionary that they believe that, but that is by the bye.

The impact of the scheme on my constituency will be dreadful and I reject it on a parochial basis. I also believe that it is ill thought out and will not achieve most of the things that are sought by people who are in favour of a high-speed system in this country.

10.3 am

Mark Pawsey (Rugby) (Con): Like the right hon. Member for Holborn and St Pancras (Frank Dobson), I will focus on the narrow impact of high-speed rail on my constituency. I will make the point that development might not always be good. Rugby sits on the west coast main line, which has recently received substantial investment

to focus on the city-to-city times for London to Birmingham, London to Manchester and London to Glasgow. A side effect has been a reduction in the service for towns such as Rugby. The service to the north-west is much less frequent because the city-to-city times have been improved by the trains not stopping at intermediate stations. The Rugby rail users group is campaigning for the reinstatement of those services and sees the development of high-speed rail as an opportunity to recover them, because city-to-city traffic might move from the west coast main line to HS 2.

The effects of HS 2 might not be entirely beneficial. I will give anecdotal evidence from France. For many years, I travelled to visit friends in Épernay, which is the home of Champagne. Épernay is about the same distance from Paris as Rugby is from London. In the '70s and '80s, I enjoyed a regular service to Épernay from the main east line out of Paris towards Strasbourg. When one turned up at the Gare de l'Est, there were plenty of trains. On making the same journey last summer, I found that there were no trains throughout the day. There was one commuter train from Épernay to Paris in the morning and one from Paris to Épernay in the evening. The reason was that the new TGV line through eastern France heads towards the bigger city of Reims, taking all of the traffic from the existing railway line. My concern is that towns such as Rugby may suffer from the introduction of a new high-speed rail line and receive a worse service.

The rail service is critical to the economic development of Rugby. That is recognised by the chamber of commerce. At a recent event, 50 businesses heard the case for high-speed rail and I understand that many left the presentation unconvinced and unsatisfied as to its merits. There needs to be a good understanding of business so that the project delivers benefits for it.

I will conclude because many hon. Members want to contribute, but I make it clear that the existing rail network will be affected by HS 2, and it is important that there is an assessment of the impact on the communities that will be affected.

10.6 am

David Mowat (Warrington South) (Con): I will describe the context as I see it for such infrastructure improvements. The right hon. Member for Holborn and St Pancras (Frank Dobson) spoke of economic forecasts. I start with the economic figure that the average gross value added per head in London is about £30,000, whereas in the English regions, it is about £17,000. Such a huge difference does not exist in any other country in Europe. One way in which that can be fixed is through infrastructure investment. Even now, there is massively more infrastructure investment in London, with 60% more infrastructure capital spend per head in London than in the regions. The high-speed rail project is fundamental to the regeneration of large parts of the north of England and the midlands.

We have discussed the business case so I will not spend much time on it, although we could argue more about it. The Department for Transport will have to publish the business case. The net benefit ratio in the preliminary publications was 2.7, which is pretty high. However, that figure includes assumptions about factors such as idle time and optimistic passenger projections—I think that the figure was 278%. That must all be worked through. The business case does not include anything about the economic regeneration of the north, the carbon savings from the modal shift from road and air to rail, or the freeing-up of airport capacity. It is not possible not to go ahead with the third runway without a project of this kind.

Greg Mulholland (Leeds North West) (LD): I agree with the hon. Gentleman that the project will benefit Yorkshire and the north-east, as it will the north-west. Does he agree that when the Y-shaped line is built—as I hope it will be—both legs should be built at the same time to ensure that the benefits that he rightly identifies are brought to the north-west and the north-east simultaneously so that one region does not suffer at the expense of the other?

David Mowat: I agree that the Y-shaped solution is the most sensible one, but I do not want to get into which part should be built first. I would like to quote a few numbers on the transformational impact of the potential scheme. We are generating, potentially, many tens of thousands of jobs. In January 2010 KPMG published a report which estimated an incremental increase in employment of between 29,000 and 42,000—not directly from constructing or operating the line but due to the economic and productivity impact on the regions of much closer links with London. In itself, 40,000 jobs would generate a huge bonus for the Exchequer, but none of that is currently in the business case that is being debated.

A lot—in fact, nearly all—of the comments up till now have been on the environmental issues surrounding the line. I do not want to minimise their impact, but the Government are the Government of the whole country, not just of the south-east of England and London. It is important that we properly weigh up some of the unpleasant environmental impacts against the greater good.

Jo Swinson: I am very much enjoying the hon. Gentleman's speech. Does he accept that building high-speed rail with a Y shape going as far as the north-west will bring benefits to other parts of the country, including Scotland? Extending high-speed rail to Scotland would cut the journey time from four and a half hours to more like two hours. Even as it is being built, it will start to decrease the journey times because people will be able to change trains part way through, if they wish.

David Mowat: I certainly agree that, in time, the line needs to go to Scotland. I have very much bought in to the productivity improvements and the step change in how we do business in the country that could be achieved with such a line—so, yes, I agree.

Going back to the environmental impact, it is obviously right that compensation is paid and that we do the right thing by the people whose property rights are being impacted. However, that cannot be our pre-eminent concern.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Does the hon. Gentleman accept that the environmental impact is about more than landscape? I think he was making that point. Environment is about people, communities,

[Simon Hart]

jobs and productivity as much as it is about the landscape that we might enjoy through the window of a train or, indeed, of a car.

David Mowat: I accept that. Indeed, where we have areas of high unemployment, the ability of people who live there to enjoy their environment is much less than it would be otherwise. The Government also have a duty to take into account the impact on prosperity and employment throughout the country.

I want to make a couple of slightly more detailed points. It is important that whatever we build is linked to Heathrow. Those are probably the Government's plans, but it seems to be absolute nonsense to build a high-speed rail link to the north and not to link properly Manchester airport and Heathrow, so as to see some of the traffic from Heathrow move.

I am of the view that the line needs to go to Euston and should not stop and link to Crossrail. I am not an expert, but Euston seems to be close to the business centres of London, so the impact of achieving that would be substantial.

I would like to see a spur to Warrington and Preston as soon as possibly, but I realise that the Minister might not think that that is her highest priority.

With reference to an earlier point, not linking High Speed 2 with High Speed 1 would be absurd. In my understanding of the initial business case for High Speed 1, the reason why we went into St Pancras in the first place was to allow that line, eventually, to go north. We are now building a High Speed 2 line to the north, so it ought to be linked.

Finally, it is very important that the Government maintain their commitment to the plan and realise that they are the Government for the entire country, and the entire country needs this.

Frank Dobson: Will the hon. Gentleman give way?

David Mowat: I have finished now, so I will not give way.

10.14 am

Iain Stewart (Milton Keynes South) (Con): It is a pleasure to serve under your chairmanship, Mr Weir. I warmly congratulate my hon. Friend the Member for Wycombe (Steve Baker) on securing this important debate.

I take a strong interest in the issue at two levels: strategically, as a member of the Select Committee on Transport and because High Speed 2 is a key component in the debate on our national transport infrastructure; and locally. Although the proposed route does not go through my constituency in Milton Keynes, it runs close by, just a couple of miles from my western border, which is close enough for me to have a say in the debate in a local context and to understand the justifiable concerns of many villagers along the proposed route.

I will put my cards on the table right at the start. From all the evidence that I have seen, there is a strong case for an additional north-south strategic rail route in the United Kingdom and for that route to be capable of running the latest generation of high-speed trains. However, I am far from convinced that the detail of the proposed route is correct.

We run the risk of an enormous and costly error in this country if we do not get the details right, which is why I warmly welcome the recent assurance by the Secretary of State and the Minister that the inquiry into High Speed 2 will examine both the strategic case and the specifics of the proposed route. Frankly, we get one shot at making the project work and, vitally, if it is to succeed, it must be done on the strongest evidence and commanding broad-based support in the country.

One strategic argument is that, instead of ploughing billions of pounds into constructing a High Speed 2 line, the money—smaller amounts even—could be better used upgrading what are known as the classic rail routes. I regard that as a false choice.

As any regular user of the west coast main line knows, it is already getting pretty close to capacity, even after the substantial investment and upgrades in recent years. If anyone doubts that, I invite them to go to Euston station at 7 o'clock on a weekday evening and try to board the Manchester train. Virgin has to employ people who are basically crowd-control managers to prevent ugly scenes. The line has other pinch points as well.

Steve Baker: Does my hon. Friend agree that ugly scenes as a result of scarce resources are typical of socialism?

Iain Stewart: My hon. Friend tempts me down an interesting line of debate but, in the interests of brevity, I will resist that temptation.

At the moment, the classic network has pinch points. Yes, certain upgrades could be made—trains could be lengthened by a couple of coaches, there is room for one additional train movement in and out of Euston at peak times and the speed on the line could be increased a little. All those things can be done, but they would only buy time.

The choice, however, is not between doing those things and investing in High Speed 2. If we look at the time frame for High Speed 2, there is a gap between the existing capacity and what is needed in current years. I believe we have to do both—upgrade the classic rail routes and plan for the long term with High Speed 2. Simply, the forecast increase in the UK population and our increased willingness and desire to travel more and in comfort, mean that the extra capacity is required.

I accept the general case that there should be a route from London to Birmingham, Leeds, Manchester and cities in the north of England and in Scotland. However, it is important that the business case is rigorously tested. From a common-sense layman's perspective, we need to challenge why certain aspects of the current HS 2 case seem to be omitted or rejected. Time constraints prohibit me from going into those in detail, but let me flag up one or two of the issues, which other Members have raised.

Why does High Speed 2 not connect with HS1? It is crazy not to connect them, in my view. I had a meeting with the chief executive of Crossrail recently, and I asked him, "Has anyone considered using Crossrail as a link between High Speed 1 and High Speed 2?" He said,

"You're the first person who's ever proposed that to me." Such a link may not be the answer, but it is surely the sort of issue that we should look at as we consider a multi billion pound scheme over many years. Has High Speed 2 been considered in the context of broader UK aviation policy? Should we not look at connecting Birmingham airport, Heathrow and other airports in the midlands and the south as part of our total transport policy?

Why are we not looking more at intermediate stops along the line? I have enormous sympathy for the point made by my hon. Friend the Member for Wycombe, who said that Buckinghamshire would have all the pain but none of the gain because there would be no access point along the route. The French TGV system has intermediate stops at different points. This summer, I travelled on the line down to the Mediterranean, and there is a stop at Valence. It is constructed in such a way that it does not impede the fast trains that shoot through, but it gives access to many towns and cities in that part of France. If I may, I would like to put in an early bid for an Iain Stewart international gateway station to serve Milton Keynes and the surrounding areas.

There are justifiable environmental concerns, but I urge those who are concerned about the environmental impacts to look closely at other high-speed lines around the world. The use of proper cuttings and natural cuttings can minimise a lot of the noise and visual damage.

I want now to make a more strategic point. Everyone who objects to rail schemes believes that they will be ugly and unsightly, but they need not be. This country has a proud tradition of building infrastructure projects—particularly rail infrastructure projects—that enhance the environment. The Forth bridge, the Ribblehead viaduct and Brunel's bridges and tunnels are things of beauty, and, done properly, the projects that we are talking about could actually enhance the countryside. I do not want to create some ghastly, ugly concrete jungle, but for goodness' sake, if we are going to make High Speed 2 a national project, let us use it to showcase what we can do. I have mentioned examples of older infrastructure projects, but we could look at modern ones, such as the Millau viaduct in France, which enhances the environment.

It is absolutely right that we consider the strategic case to make sure that the numbers stack up. Equally, everyone along the route must have their say as to why the line should or should not go through a particular locale. However, let us do things with a positive attitude. We need High Speed 2 in this country and we get one shot at it. When we have the inquiry, which I strongly welcome, let us undertake it with a positive attitude.

10.23 am

Martin Horwood (Cheltenham) (LD): It is a pleasure to serve under your chairmanship, Mr Weir. I congratulate the hon. Member for Wycombe (Steve Baker) on securing the debate. He has put a strong case on behalf of his constituents, and it was also interesting, given his ideology of free market deregulation.

I want to make a couple of points before asking a few questions. The coalition agreement was absolutely right to commit to high-speed rail, which is a potentially incredibly important and transformational project. However, there is no either/or choice between high-speed rail and the conventional railway network. The Government have done extraordinarily well to protect almost the totality of the £14 billion of planned investment in the rest of the rail network during the battles over the comprehensive spending review. With the possible exception of my beloved redoubling of the Swindon to Kemble line, no rail project has been abandoned as a result of the CSR or the commitment to high-speed rail. The hon. Gentleman should be reassured by that.

The bigger picture is the UK's ability to meet its long-term carbon emission targets, but we need more robust data. Some quite high numbers are being talked about, and we have heard about 23 million tonnes of carbon being saved over 60 years. However, there is a question mark over some of the numbers, given that about 77% of the journeys quoted by High Speed 2 Ltd apparently increase carbon emissions, as 50% of passengers shift from less energy-intensive railway journeys to high-speed rail and another 27% make new journeys. Of course, that probably underestimates the impact on the conventional rail network, given that other people might take up the capacity that is freed up there and we might see a parallel modal shift from car journeys to conventional rail journeys.

The figures also underestimate the impact of the long-term plan, which brings me to my first question. What is the Government's latest thinking on the long-term commitment to connections to Scotland and the north-east? I might even add Wales and the west. There is clear evidence that there will be a profound impact on aviation over those longer distances—they are longer than the initial London to Birmingham stretch. A company called Travelport, which owns two of the four back-office systems that support airline and high-speed rail bookings around the world, has suggested to me that in the first month after the introduction of a high-speed rail link over such a distance, one third of the air travel on the same route vanishes, and that aviation drops by two thirds within three months. If that is true when we eventually have longer high-speed rail links in this country, it will have a profound impact on our carbon emissions.

Christopher Pincher (Tamworth) (Con): Does my hon. Friend accept that air traffic north to south is already falling, so we should not expect a massive decline in air travel as a result of building High Speed 2?

Martin Horwood: I am not sure that that is right. I must confess past sins. I used to work for a marketing agency that had clients in Scotland and I am afraid that I regularly took the team on a flight up to Edinburgh. I am now very guilty about that, and it was probably very carbon-inefficient, but the truth is that high-speed rail could have a massive impact on such business journeys, on recreational travel and on other connections between Scotland and London. All the evidence from other parts of the world is that that impact is quite consistent.

Turning now to my questions, I want to ask first about the status of the Heathrow interchange in the Government's plans. If one is trying to reduce carbon emissions, it seems illogical to make sure that people can get to airports even more efficiently, so I do not see the Heathrow interchange as particularly important. The fact that it is being retained even as a long-term objective or possibility might militate against the option

[Martin Horwood]

pointed out by the right hon. Member for Holborn and St Pancras (Frank Dobson), who spoke of the logic of a connection between High Speed 1 and High Speed 2.

Secondly, I would urge sensitivity to local issues. Caroline Pidgeon on the London assembly has raised the issue of houses in London that might be only a couple of metres above the tunnel when it is eventually built. Even though those houses are built on London clay and often do not have deep foundations, the householders do not appear to have access to the hardship fund. I would welcome the Minister's latest thoughts on that.

Finally, there is the issue of planning. I have long been an advocate of a democratic planning system. I have made the case for such a system to people who propose nuclear power stations and, for consistency, even to my friends in the wind energy industry. However, it is a bit more difficult to take a site-by-site approach with a long railway route; we cannot just take out Berkshire and expect there to be no impact on the rest of the network.

In that respect, I commend to hon. Members and Ministers the words of the Campaign to Protect Rural England, which has taken an enlightened approach to this issue. It points out that High Speed 1 runs through the Kent downs area of outstanding natural beauty, adding:

> "Noise from trains is barely noticeable compared to the background noise of traffic, while earth mounds and wooden barriers help conceal the line itself…No stations are proposed for HS2 between London and Birmingham, so like the Central Railway proposal it would not offer local benefits. HS2's trains are likely to whoosh past in seconds unlike noisy diesel freight trains proposed to trundle along the Central Railway, so the noise impacts should be less but this still would mean 'something for nothing' for the communities it would pass through."

The "something for nothing" argument is important. The CPRE suggests that a number of benefits could be built into the long-term scheme. It says that "Electricity pylons" could

> "run along much of the route including in the Chilterns AONB and these could be undergrounded next to the track…Low noise surfaces could be installed on local roads to improve tranquillity…New and improved Rights of Way and Open Access Land could improve outdoor opportunities around the path of the route".

It makes many other suggestions for improvements that would benefit people along the route as this important project is put in place. There may be environmental consequences—there is no escaping that—but the bigger picture is important. As I said at the beginning, this could be a transformational project, very important for our long-term goal of reducing carbon emissions, and one I strongly support from the Liberal Democrat benches.

10.30 am

Dan Byles (North Warwickshire) (Con): As we do not have much time, I will be brief. I congratulate my hon. Friend the Member for Wycombe (Steve Baker) on securing this important debate on a topic that is causing a great deal of concern up and down the route. We need to ensure that it causes more concern in the rest of the country, where people do not have the route coming through their back gardens and therefore do not realise how devastating it is going to be to communities and families.

The route will have a potentially devastating impact on my constituency of North Warwickshire. We face the prospect that the line as it runs in to Birmingham from the main line will branch off in my constituency, causing a huge amount of devastation to the villages of Gilson and Water Orton. The main line will continue further north, causing severe impact on the town of Coleshill and the village of Middleton. Potentially even more worrying, if the Y-shaped route happens, we might end up with the junction in my constituency, probably tripling the amount of blight and devastation in North Warwickshire. We do not know exactly where the Y-shaped junction is going to be, but there is a great deal of concern throughout my constituency. If the Y-shaped junction does end up in my constituency, it will probably be the single most affected in the country as a result of the route.

Christopher Pincher: Does my hon. Friend not agree that we need to know as quickly as possible where the Y-shaped route is going to diverge, so that residents in our part of the world—I represent Tamworth, just up the road from North Warwickshire—can begin to make dispositions as they see fit?

Dan Byles: I entirely agree and thank my hon. Friend. He and I have neighbouring constituencies and we are working closely together on this. We are watching closely, because if the Y-shaped junction is not in my constituency, it is likely to be in or close to his. People need to know about this issue. Knowing one is going to be devastated by something is one thing; believing one might be but not knowing is even worse. There are people on a route that appeared briefly on one map—with a dotted line that disappeared from subsequent maps—who were effectively blighted, but who were unable to take part in the exceptional hardship scheme or any other compensation scheme. They are blighted through uncertainty, not through an actual line on a map. It is important that that topic be addressed as quickly as possible.

However, I am going to be brief so that someone else can say a few words. I want to make two pleas to the Minister. The first concerns the exceptional hardship scheme. I ask her to look in detail at what has happened so far—at those who have been approved and those who have not—and satisfy herself that the current scheme is transparent and working properly. I have had constituents refused under the scheme, and who were given reasons that were not listed as factors on any previous document or in the frequently asked questions relating to the scheme. That suggests that the scheme is not transparent and that to a large degree, the panel is making it up as it goes along. It is fundamentally wrong for people, having looked at the published documentation and believed that they ticked all the boxes, to then be turned down on criteria they did not even know were to be considered.

Steve Baker: Does my hon. Friend agree that this is a rule-of-law point, as classically understood? People should know well in advance what the rules are—fixed, well-known rules that affect their property.

Dan Byles: I entirely agree that it is a rule-of-law issue, and it is also a moral point. People understand that Governments need to make difficult decisions such as this, but they have to make them within a framework that is open, transparent and understandable. If it looks as though decisions are being made in a murky way, that completely undermines what the Government are trying to do. By definition, people applying under the exceptional hardship scheme are going through a difficult time. I urge the Minister to look at how it is working and to point out to the panel that it is not there to be a hard-nosed gatekeeper, but to implement a clear and transparent process in a neutral and even-handed way.

Christopher Pincher: Of course, there are many people who qualify for the exceptional hardship scheme but whose homes are blighted by the prospect of the railway, and by its actualité if it is built. Does he not think that the cost of that extra blight—which means that homes cannot be sold, so stamp duty is forgone by the Treasury, as is the spending power of the people who cannot sell their homes or who sell at a lower price—should be factored in to the business case?

Dan Byles: I entirely agree. Getting the compensation right is every bit as important as getting the details of the route right. In many ways, it would be far cheaper. The sort of figures we are talking about for compensating people are dwarfed by the sums involved in building the railway scheme. I urge the Minister, do not be cheap when it comes to compensation. If we have to do this and blight people's lives, compensate them adequately. That is really important.

My final plea to the Minister is, will she please bash some heads together at HS 2 Ltd and tell it to stop refusing requests from local councils to come and brief officers and members? The chief executive of the council in my constituency, North Warwickshire borough council, has just written an uncharacteristically strongly worded letter to HS 2 Ltd expressing his deep disappointment that before the general election, it had agreed to come and brief officers and members, but said running into the election that it was then in purdah and could not do it. It is now a long time since the general election and it is still refusing to brief the council. Local borough and county councils need to understand what is happening in their areas. They do not and they are not getting the help they need from HS 2 Ltd. It might be a little over-dominated by engineers; it needs some people who can explain, communicate and listen.

Those are my two pleas to the Minister. Will she please look at the exceptional hardship scheme and compensation, and satisfy herself on those matters, because I do not think the system is working fairly? Secondly, please tell HS 2 Ltd to engage more, particularly with local borough and county councils.

Mr Mike Weir (in the Chair): I call Craig Whittaker, but remind him that I wish to start the wind-ups by 10.40 am.

10.37 am

Craig Whittaker (Calder Valley) (Con): Thank you, Mr Weir. As people know, I represent the wonderful and beautiful constituency of the Calder Valley in west Yorkshire. Many would say, of course, that it rivals, or even exceeds, the beauty of Buckinghamshire. We live in an area that is rich in a history of industry, and more recently banking and financial services, as well as still being a major employer in manufacturing and distribution, with over 26% of our employees working in manufacturing. Imagine what economic benefits High Speed 2 would bring to those employees and manufacturers. Many of the 6,000 employees at the headquarters of Lloyds TSB and Halifax live in the Calder Valley, making our economy one of the most at-risk areas in Britain if we see a further slide in the banking and financial services industry.

I recently went to Paris on Eurostar from London. As we know, that line is Britain's first high-speed rail link. It is incredibly useful to the economy of the south-east of England but not to Yorkshire's, given that people can get a train and arrive at two different foreign capitals to do business more quickly than they can get a train in London and arrive in my constituency to do business. Pundits have spoken about the north-south divide in this country for many years. May I suggest that High Speed 1 to Paris has created not only a greater north-south divide, but also pushed the divide even further south? High Speed 2 would shorten that divide for Yorkshire.

The Calder Valley has a huge diversity of business.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I apologise for missing the earlier part of the debate; I was at another meeting. High Speed 2 will indeed provide benefits to Yorkshire. Does the hon. Gentleman agree that those benefits will also extend in due course further north—for example, to Edinburgh where my constituency is located, and to other places in the north of England and Scotland?

Craig Whittaker: Without question, I agree with the hon. Gentleman. Indeed, let us get the first leg of the line into Yorkshire first.

As I said, the Calder Valley has a huge diversity of businesses—ranging from sole traders all the way up to some fantastic, world-leading businesses at the cutting edge—that contribute a gross value added average of £3.3 billion to our country. Our employees have the highest productivity rates in west Yorkshire and are among the highest in Britain, at £43,700 GVA per employee. Why should we not have access to our capital and other major cities at speeds equivalent to, or even better than, those available to the French or the Belgians?

We in Yorkshire do not advocate reducing access to our cities by foreign business with High Speed 1; we merely ask for a level playing field so that we can compete and play our part in our country's economic growth. High Speed 2 will give Yorkshire just that—a level playing field, so that we can grow and continue to be the beating heart of England well into the next century. It is a place that we have earned, and deserve to have.

I thank the Government for consulting on the Y-shaped model for HS 2. I give the Minister the guarantee that we Yorkshire MPs will do all we can to ensure that it happens.

10.40 am

Andrew Gwynne (Denton and Reddish) (Lab): It is good to see you in the Chair, Mr Weir. I am pleased to be able to contribute to this important debate. I congratulate

[Andrew Gwynne]

the hon. Member for Wycombe (Steve Baker) on securing the debate. I was glad to have the opportunity to listen to the views, opinions and concerns of right hon. and hon. Members.

The Labour Government brought forward the original idea for High Speed 2, and I welcome the fact that the coalition Government will continue with that project through the next stages. However, I note from reports in *The Daily Telegraph* over the weekend that high-speed rail is causing the Conservative part of the coalition some local difficulty, with at least three Ministers being publically opposed—including, if reports are correct, a Cabinet Minister. Indeed, the paper quoted the Secretary of State for Wales as saying:

"I would defy the party whip—be very, very sure of that."

We will have to see whether Cabinet Ministers are willing to vote against the Government on this issue. None the less, the Minister who is here today obviously enjoys the support of the hon. Member for Warrington South (David Mowat), who made a valid case for the economy of the north-west of England—as a north-west MP, I certainly agree with much of what he said—and she has the in-principle support of the hon. Members for Milton Keynes South (Iain Stewart) and for Calder Valley (Craig Whittaker).

A project of this size and scale will, of course, not be without controversy. Without doubt, good travel links between Britain's major cities are central to our economy. We need a transport system that is high-capacity, efficient and sustainable.

Lilian Greenwood (Nottingham South) (Lab): Does my hon. Friend agree that, in developing the eastern part of the Y, it is important that core cities such as Nottingham are included, so that they too can reap the benefits not only of faster routes to London but of better connectivity to Yorkshire and Birmingham?

Andrew Gwynne: When we go into the details of what is proposed, we certainly need to ensure that connectivity with the English regions—the hon. Lady makes a powerful case for the city of Nottingham—are included.

As the economy grows, people will travel for employment and leisure, and there will be more demand to move freight, something that is not sufficiently considered in relation to rail. The Labour Government rightly believed that improved transport capacity would be needed between our major cities from the 2020s, starting with the route from London to the west midlands, two of Britain's largest conurbations. Projections show that by then the west coast main line will be at capacity. By 2033, the average long-distance west coast main line train is projected to be 80% full, and severe overcrowding will be routine for much of the time. There will also be a significant increase in traffic and congestion on the motorways between and around London, Birmingham and Manchester, far beyond the problems experienced at these locations today.

The Labour Government's view was that high-speed rail would be one way to provide more capacity between the UK's main conurbations in the long term. The extra boost provided by a high-speed line would substantially increase existing rail capacity. That would happen not only as a result of the new track but because the track and stations would make possible a far greater length of train, and because high-speed trains would be segregated from other passenger and freight services.

It is worth bearing it in mind that upgrading existing rail lines would yield much less capacity than a high-speed line and at greater cost in both money and disruption, but without most of the journey time savings. That is something that we saw with the recent £9 billion upgrade of the west coast main line; although the benefits were considerable, they were essentially incremental, coming after years of chronic disruption to passengers and businesses.

Journey time savings from high-speed rail will be significant. The journey time from London to the west midlands would be reduced to between 30 and 50 minutes, depending on the stations used. Manchester could be brought within approximately an hour of London, down from almost 2 hours and 10 minutes. Through-services from Glasgow and Edinburgh to London would be down to just three and a half hours.

The connectivity gains of high-speed rail will come not only from faster trains but from the new route alignments that comprise the proposed Y-shaped network of lines from London to Birmingham, and eventually north to Manchester and Leeds.

Mark Lazarowicz: Will my hon. Friend confirm that the Labour party's ultimate objective is that the high-speed line should go directly to Scotland, and that we should not rely on existing services for part of the line? Obviously, things cannot be done at the same time everywhere in the UK, but will he confirm that that is Labour's objective?

Andrew Gwynne: When Labour was in Government it was always envisaged that the high-speed lines would eventually connect with Scotland. In the long term, that will be crucial to the economies of Scotland and the English regions.

The new network would overcome some of the limitations of the old network, which has three separate and poorly interconnected main lines, each with own its London terminus. An important factor is that the high-speed network would enable key local, national and international networks to be better integrated. In particular, including an interchange station with the new Crossrail line just west of Paddington on the approach of the high-speed line to central London would greatly enhance the benefits of both Crossrail and the high-speed line. A Crossrail interchange station could deliver a fast and frequent service to London's west end, the City and docklands. The total journey time from central Birmingham to Canary Wharf could be just 70 minutes.

A boost to the west midlands economy is anticipated to the tune of £5.3 billion a year, and to that of the north-west of £10.6 billion a year at today's rates.

Christopher Pincher: The hon. Gentleman said that there would be a benefit to the west midlands. Is he aware that I asked a parliamentary question of the Department for Transport in order to ascertain what the benefits would be to Staffordshire? The Department responded that it had made no such analysis.

Andrew Gwynne: I was referring to the west midlands metropolitan area, but I am not responsible for the replies given by the Department for Transport.

David Mowat: On that point, the figure cited by the hon. Gentleman of just over £5 billion came from the West Midlands chamber of commerce. The figure was generated in the region, and one would imagine that it is most unlikely that some of the money did not come from Staffordshire.

Andrew Gwynne: I am grateful to the hon. Gentleman for clarifying that point.

If, in time, an extension of the network to Scotland was to proceed, there would be a benefit of nearly £20 billion to its economy. HS 2 believes that the benefits of high-speed rail far outweigh the estimated costs, with the project yielding more than £2 of benefit for every £1 of cost.

There are clearly several arguments in favour of high-speed rail. It is a possible solution to the expected increase in passenger numbers, it will undoubtedly slash journey times and it could allow a much better integration of existing rail services regionally, nationally and internationally. However, we have to take on board the fact that not everyone is in favour of high-speed rail. I accept that, as the hon. Members for Wycombe and for North Warwickshire (Dan Byles) said, some communities will be impacted through the construction and operation of high-speed rail. The Labour Government were mindful of the fact that, in making proposals for a route, there has to be an attempt to minimise local impacts while achieving the wider objectives.

Andrea Leadsom (South Northamptonshire) (Con): Does the hon. Gentleman agree that there would be merit in considering ways to give benefits to those communities impacted by the track—for example, by having spurs off the new tracks that offered interim stops on occasion?

Andrew Gwynne: That might be one solution to such concerns.

We need to ensure that people are fully consulted on changes that could affect their areas, and not only on the Chilterns or Buckinghamshire but, as my right hon. Friend the Member for Holborn and St Pancras (Frank Dobson) said, on Euston and Primrose Hill. Indeed, my right hon. Friend made some powerful points.

The coalition Government must have meaningful, extensive and detailed consultation, particularly with the local communities affected, and they must be keen to listen and to balance the concerns of those communities, many of which we have heard about today in this debate. No route in a project of this significance will be without controversy, which is why there absolutely must be adequate consultation of the affected communities, together with consultation on the exceptional hardship scheme for those whose properties may be affected by proximity to the preferred route.

May I ask the Minister how detailed the consultation process about the plan for the new route will be? Will it give us a detailed account of the streets, properties and landholdings that will be directly affected by the planning process? Significant time will be needed to ensure that consultation is properly conducted and considered. I welcome the proposed exceptional hardship scheme for those whose properties may be directly affected. What time scales do the Government have to introduce provisions for owners of properties nearby the planned route that may not necessarily be directly affected by the construction? Finally, can the Minister tell me how many applications have been received so far for the exceptional hardship scheme?

The Labour Government proposed the high-speed rail that would link London to Birmingham and eventually to Manchester, Leeds and beyond, which is the widely backed "Y"-shaped network. I welcome the fact that the coalition Government, after a few wobbles, have come out and supported that network instead of their unworkable "S"- shape. That was perhaps not so much a U-turn as a "Y-turn", although my right hon. Friend the Member for Holborn and St Pancras has now thrown an "H"-shape into the mix.

I turn now to some specific issues. What consideration will be given to ensuring that the high-speed rail network is available to rail freight, which is an increasingly important part of the railway jigsaw? Does the Minister plan to have further talks with the Scottish Executive about possible network extension to Scotland in due course? Will she outline the time scale that the Government envisage for commencing construction of the first part of the network? Has her Department begun work on preparing the hybrid Bill that would have to be presented to Parliament to make the new network a reality in this Parliament?

The high-speed rail project could be of national strategic significance to this country, and I hope that we will be able to work across the House to secure a rail link that is worthy of a great country in the 21st century.

10.51 am

The Minister of State, Department for Transport (Mrs Theresa Villiers): In the brief time that I have available, I will try to run through the points made by right hon. and hon. Members, and I will write to them about any points that time prevents me from covering now.

I am very grateful to have support for high-speed rail from across the House, across parties and across the country. That support is very welcome. There was a particularly vocal presence in the debate today from Yorkshire, which was particularly welcome.

However, we recognise that it is vitally important to think with great care about the local environmental impact of the project. Of course, we had some very comprehensive accounts of the potential impact, first from my hon. Friend the Member for Wycombe (Steve Baker) and then from my hon. Friend the Member for North Warwickshire (Dan Byles). It is important that they are here in Westminster Hall and able to put their constituents' point of view.

I strongly believe that careful mitigation measures can eliminate the most intrusive local impacts of high-speed rail. Modern engineering techniques give us an expanding range of ways to use sensitive design to make transport infrastructure easier to live with and less intrusive; a number of Members have referred to the example of High Speed 1, where that mitigation work has been done with some success in many areas.

I believe that it is possible to find a solution that is balanced and fair; that generates the significant economic benefits of high-speed rail for the country as a whole,

[Mrs Theresa Villiers]

and that is fair to the local communities that are directly affected by whatever line of route is ultimately chosen. Hopefully, this debate will take us closer to finding a solution and choosing that route.

We intend the consultation to be inclusive, wide-ranging and comprehensive, providing a range of opportunities for Members and their constituents to go through these kinds of concerns about the impact on landscapes and communities. Our consultation is designed to run for about five months, which is longer than the statutory minimum. We take this process very seriously, because we know the gravity of the concern that is felt in some communities.

The business case for high-speed rail was discussed by a number of Members. We are absolutely confident about the very significant benefits that a line from London to Birmingham would generate and we believe that those economic benefits are even more significant when they are linked to a "Y"-shaped high-speed rail network that connects the capital with Birmingham, Manchester and Leeds.

I welcome the comments of my hon. Friends the Members for Warrington South (David Mowat) and for Calder Valley (Craig Whittaker) about the importance of using transport infrastructure to try to remedy imbalances between economic prosperity in different parts of the country. There is strong local support in much of the country for high-speed rail.

In answer to the questions from a number of Members about Scotland, as the hon. Member for Denton and Reddish (Andrew Gwynne)—the shadow Rail Minister—has already pointed out, the "Y"-shaped network to deliver high-speed rail to Manchester and Leeds could enable us to deliver journey times to London from Edinburgh and Glasgow of about three and a half hours. There is also the issue of promoting the air-to-rail switch, which is so important to the hon. Member for Cheltenham (Martin Horwood). In due course, we certainly want to see a genuinely national network built, and that is why we are in regular dialogue with the Scottish Government. We are happy to work with them on establishing how we bring that network about in the future.

A number of Members have talked about the carbon impact of high-speed rail. I believe that high-speed rail can play an important role in our plans to develop a low-carbon economy, particularly by promoting the air-to-rail switch that a number of Members referred to. Even with our current energy generation mix, high-speed rail is a much lower-carbon option than flying.

My hon. Friend the Member for Wycombe argued that the Government had overstated the expected increase in demand. He and a number of other Members sought to challenge the business case. However, there is no doubt that the benefits generated by the extension of high-speed rail to Birmingham will exceed the cost of building the line.

Furthermore, it is clear that there is already a significant crowding problem on our railways. The simple fact is that we need this new railway. Important parts of our rail network are already suffering from serious overcrowding problems. As my hon. Friend the Member for Milton Keynes South (Iain Stewart) mentioned, one only needs to go to Euston on a Friday night to see how popular the railways have become. There is simply no realistic alternative that would give us the level of benefit that high-speed rail will generate.

Andrea Leadsom: Does my right hon. Friend the Minister accept, however, that greater consideration should be given to using an existing transport corridor rather than tearing through great swathes of English countryside?

Mrs Villiers: It is always the case that, when efforts are made to construct these major transport projects, there are advantages to using existing transport corridors. However, sometimes using those existing corridors is simply not possible. Nevertheless, the Secretary of State for Transport asked High Speed 2 to look again at the route that it had proposed and at the environmental impact of that route. In a very short time, we will publish a package for consultation that will take on board a number of the concerns that have already been raised with the Government and with HS 2, to mitigate the environmental impact of the project.

I want to go back to the points that were made about using upgrades to the conventional rail network to relieve the capacity problem. It is simply not possible to relieve the capacity problem without a new line. Without delivering a further significant uplift in rail capacity, some of our key transport corridors will become even more overcrowded in the years to come. I strongly believe that high-speed rail is the best way to deliver that new capacity, not least because it would free up space on existing networks for more commuter, regional and freight services. My hon. Friend the Member for Rugby (Mark Pawsey) mentioned that issue and I think that there is potential for his constituents to benefit from the extra space on the west coast main line that will be released by high-speed rail. Dramatically improving connectivity between a number of our most important cities has the potential to change the economic geography of the country.

As for the environmental impact, I recognise that our plans for high-speed rail are already having an impact on some communities, even in advance of the final decisions on the project. That is why we have launched an exceptional hardship scheme, to assist those with an urgent need to sell their properties and move home.

The Secretary of State has made it clear that, as and when any final route is chosen, we will put measures in place to address blight, and those measures will go well beyond the requirements of statute. I say that in response to a number of points that were made about the exceptional hardship scheme. My hon. Friend the Member for North Warwickshire had some concerns about how the scheme was working. I was not aware of those difficulties, so if he wants to write to me about the specific issues I will be happy to look into them.

Earlier this year, the Secretary of State visited the line of route that has been recommended by HS 2 Ltd. He acknowledges the vital importance of designing a new high-speed rail line in a way that will reduce local impact where possible and that will take on board the types of points that we have heard this morning.

We fully recognise the need to balance the benefits of the high-speed rail project with the local impact on landscape and communities. In the summer, the Secretary

of State instructed HS 2 to consider how best to improve its recommended route 3 to reduce any negative social and environmental impacts. An initial report has already been published that identifies a number of ways to reduce problems on the northern part of HS 2's preferred route. That work is continuing in relation to a number of other areas of sensitivity—

Mr Mike Weir (in the Chair): Order. I am afraid that we have run out of time for this debate. We now move on to the next debate.

Youth Service

11 am

Julie Hilling (Bolton West) (Lab): Thank you, Mr Weir. It is with great pride, but also with sadness, that I open my first debate in Westminster Hall. I have a vested interest in this debate, in that I have spent almost all my working life as a youth and community worker, and Unite supported me in my election campaign. I am passionate about the sector. I have many important questions for the Minister, who I hope will address them all in his response.

I am proud to have been a full-time youth worker for many years in Nottingham, St Helens and Wigan. I loved my work, and I believe that my colleagues and I, who worked in a local authority-based youth service in partnership with voluntary organisations, made a difference to young people's lives. Like all youth workers, we had a purely voluntary relationship with young people. They were not forced to come to our projects. The fact that they chose to relate to us without compulsion laid the basis for trusting relationships that enabled us to assist their informal learning and personal and social development. That is what youth work is. Youth workers are young people's freely chosen and trusted adult supporters. They educate young people informally, support them, help amplify their voices and, critically, take their side when no one else does. It is part of society's commitment to lifelong learning.

As official Government statements, academic reports and professional bodies recognise, youth workers enable young people to develop holistically, working with them to help them develop their voice, influence and place in society and reach their full potential. Youth workers recognise, respect and actively respond to the wider network of peers, communities, families and cultures that are important to young people, and seek through those networks to help young people achieve stronger relationships and collective identity by promoting inclusivity and equality.

Youth workers have long been experts in creating what is now called the big society. According to the Audit Commission, every £1 invested in youth work generates £8 worth of voluntary activity. Youth workers are trained to recruit and involve volunteers and to sustain their involvement. Some 500,000 volunteers work with established youth services, but volunteers do not come from thin air. They need to be encouraged and supported by professionally trained staff and, to be effective and happy, they need to volunteer in an organised environment. Youth and community work training equips practitioners to empower adults and young people in their communities.

In addition, youth workers are trained to raise funds to support their work. The state has never been the main provider in the sector. The last National Youth Agency audit of services showed that youth workers generated more than one third of the amount spent by local authorities on their youth services. I hope that the Minister will take careful note of the fact that cuts to local authority youth services also mean severe cuts to the voluntary sector and to the social enterprise and mutual organisations that provide youth services. For example, the current proposals to cut £2.6 million from Birmingham city council's youth service mean about a

[Julie Hilling]

£600,000 cut to the voluntary sector. He will no doubt be aware that the £2 million in cuts to the youth service in his county will practically wipe out voluntary sector funding as well. It is a fallacy to suggest that the voluntary sector can pick up the pieces left by a shattered local authority service.

On funding, incidentally, Lord Northbourne obtained an undertaking during the passage of the Education and Inspections Act 2006 that the Government would continue to collect youth service funding figures from local authorities. Will the Minister publish the figures for last year and tell me how they will be collected in future? The National Youth Agency used to do an annual audit of youth work, but I have been informed that now that its funding has been slashed, it will no longer be able to do so. I am also informed that Ofsted will no longer inspect youth work. Who will inspect it to ensure that standards are upheld?

I am proud to be introducing this debate almost exactly 50 years after Lady Albemarle produced her great report for the Conservative Government of the time. Her report introduced the modern youth service. In the 1950s, the early youth service had nearly disappeared as a result of cuts and general neglect. The voluntary sector and the early trade unionists who built the Community and Youth Workers' Union, of which I am proud to have been president for nine years, campaigned hard for the Government to provide public resources and promote respect for youth work.

Lady Albemarle was asked to establish a committee in 1958 to consider those concerns. After two years of intense scrutiny, the committee recommended that specialist training for youth workers be developed, as it was a distinct educational profession. She and her committee recommended that youth centres be built throughout the country to provide places of warmth, free association, safety and fun, that national terms and conditions for youth workers and qualifications linked to those terms and conditions be introduced and that each local authority be funded to work in partnership with the voluntary sector to manage a youth service. The Conservative Government agreed with the recommendations of Lady Albemarle's committee and laid a substantial foundation for the building of the modern youth service. A new public service depending largely on public investment was born.

Since that time, great progress has been achieved. In fact, Britain's youth service—with its public funding and partnership with voluntary organisations, national professional standards and joint negotiating committee terms and conditions—has been admired throughout the world. It has pioneered many important developments in working with young people, including international exchanges between young people to help heal a war-torn Europe.

My sadness in presenting this debate comes from the recognition that those 50 years of progress could now come to an end. The youth service is likely to disappear shortly unless the Minister acts. Is he aware that the situation of the youth service is now so grave that the main professional journal in the field, *Children & Young People Now*, has organised a national campaign called "For Youth's Sake", and the main professional bodies and stakeholders have formed a campaign to save the service? The British Youth Council and the UK Youth Parliament, the recognised national bodies for young people, have formed similar campaigns and expressed concerns about rapidly deteriorating provision for the youth service. My hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) has also introduced early-day motion 1013 on the threat to youth services.

We need action now. Is the Minister aware that local councils value highly their ability to provide youth work directly, and are so concerned about the cuts, at least in England, that the Local Government Association recently published an excellent document, "Valuing Youth Work"? I am pleased to read in the foreword his quote that work with young people is not a "luxury add-on". Has he read the powerful analysis of the cost-effectiveness of youth work by Unite and Lifelong Learning UK called "The Benefits of Youth Work"? If he has not considered those documents, I urge him to do so as a matter of urgency.

Lilian Greenwood (Nottingham South) (Lab): Does my hon. Friend agree that cutting the youth service is incredibly short-sighted? Not only does the service give young people the opportunity to enrich their lives by taking part in interesting activities but it often prevents them from being drawn into antisocial behaviour or drug and alcohol use.

Julie Hilling: I thank my hon. Friend for that intervention. Yes, absolutely. I will talk more later about some of the studies that have shown that. If we destroy the infrastructure, it will take a long time and a lot of money to rebuild, as happened in Wigan in the 1990s when all the youth centres were closed. Wigan has not been able to regain the ground lost during that time.

Mr Rob Wilson (Reading East) (Con): I congratulate the hon. Lady on securing this important debate, but I remind her that the Labour Government planned to make 20% cuts. Does she feel that no cuts should have taken place in the youth service? Can she inform all those present where she would make the cuts?

Julie Hilling: I am not in the Government or even in the shadow Government, so I am not in a position to say where cuts should be made. However, making substantial cuts to a small pot of money—some £300 million is spent on the whole youth service throughout England and Wales, which is a very small pot of money nationally—does huge damage to the services provided.

It is with sadness that I report that Warwickshire county council is proposing to abandon its youth service all together, and it appears that Norfolk, Suffolk and Southampton city councils are planning to do the same. According to a recent survey of proposed cuts that was conducted prior to the comprehensive spending review by the National Youth Agency and the Confederation of Heads of Young People's Services, 95% of services were predicting cuts during the current year, the majority of which would be in the region of more than 30%.

Bolton council has already had to cut £200,000 this year and is predicting a cut of £415,000 next year. Am I right to assume that the Minister is concerned about a cut of £2 million to West Sussex county council youth service, which covers his constituency? Does he support

the thousands of young people across West Sussex who have been petitioning and campaigning against the cuts? The portfolio holder for the area, Councillor Peter Bradbury, admitted that young people had not been properly consulted. Again, is the Minister aware that consultation with young people on service provision is fundamental to the Education and Inspections Act 2006?

There is an illusion that mutuals, social enterprises or even the private sector will take up youth work provision. Although there are some excellent voluntary sector projects, there is little evidence that many providers are ready to take on the role of providing youth services. In any case, they are dependent on adequate public funding for the work. The staffing and resources of some services are already so depleted that even a small cut of 10% will effectively end their ability to function meaningfully.

Rachel Reeves (Leeds West) (Lab): I congratulate my hon. Friend on securing the debate. In my constituency, Bramley and Rodley Community Action Trust provides a youth bank in the area. The trust also runs a youth inclusion programme, which helps people who are at risk of becoming involved in the criminal justice system. Does she agree that cuts to Leeds city council of 27% will mean that those services are at risk and that, as a result, we risk building up future problems of antisocial behaviour and criminal activity? With just a bit of funding, we could ensure that such organisations were able to continue providing those excellent services.

Julie Hilling: I thank my hon. Friend for that intervention. I absolutely agree that it is a false economy to make such cuts to youth services. Historical evidence shows that youth services will be harder hit than other services. Local authorities will have to protect some of the services relating to safeguarding issues and the care provision for older people. However, youth services always get squeezed. They have always been Cinderella services and will have greater cuts imposed on them unless action is taken—in particular action to enforce the legislation that is in place, which I shall come on to.

Such cuts will mean the end of universal out-of-school services for young people. Since January 2007, through working in partnership with the voluntary and private sectors, local authorities have had a statutory duty to promote the well-being of young people aged 13 to 19 years—in fact, it is up to 25 years for those with learning difficulties—and to promote access to educational and recreational leisure time activities, which are referred to as positive activities. The legislation that supports youth work is described in detail in statutory guidance published in March 2008 under section 507B of the Education Act 1996. That statutory guidance sets out the requirement for local authorities to provide youth work in three areas: positive activities, decision making by young people and 14-to-19 learning. The guidance refers to the fact that educational leisure-time activities are explicitly linked to youth work methods and approaches. The purpose of both forms of positive activities—educational and recreational—is the improvement of well-being. The definition of well-being in the legislation reflects the five Every Child Matters outcomes: be healthy, stay safe, enjoy and achieve, make a positive contribution, and achieve economic well-being.

The statutory guidance also refers to "Aiming High for Young People: A Ten Year Strategy for Positive Activities." That strategy concludes with a very strong statement that recognises high-quality youth work. The Government's view is that high-quality youth work delivered by third and statutory sectors is central to delivering our ambition of increasing the number of young people on the path to success. Is the Minister concerned about the ability of local authorities to fulfil their statutory responsibilities? If they do not fulfil their statutory responsibilities, will he intervene under sections 496, 497 or 497A of the Education Act 1996?

Would it not be helpful to revisit the recommendations of the "Resourcing Excellent Youth Services" document? Instead of aiming low for young people, as the Government appear to be doing, would it not be better to return to the recommendations of the "Aiming High for Young People" document? Does the Minister recognise that 70% of funding for the voluntary sector, particularly for youth services, comes from local authorities, and that decreasing that funding reduces the potential of what he might term big society organisations?

Heidi Alexander (Lewisham East) (Lab): Does my hon. Friend agree that the big problem with the big society is that it is predicated on the belief that volunteers will do for free what paid youth workers do for a wage? Does she agree that the big society is something of a political convenience, given the huge cuts that will be made to local authorities during the next three years? The situation will be incredibly difficult for those voluntary and community groups that are providing excellent activities and outreach work—street-based youth work—for young people. It will be very hard for them—

Mr Mike Weir (in the Chair): Order. I remind the hon. Lady that interventions must be brief.

Heidi Alexander: I apologise.

Julie Hilling: I thank my hon. Friend for that intervention. Yes, I absolutely agree. It is a bit of a fallacy to think that volunteering is not already taking place, as 500,000 people already volunteer to work with young people. They are effective in volunteering activities only if they are supported in their work financially and by professionally qualified and trained staff. Those staff can assist them in developing their work and can ensure that their work is of good educational value to young people.

Guy Opperman (Hexham) (Con): I want to be clear about this. All of us accept that the debt situation is difficult at the moment. The hon. Lady referred to some 70% coming from local authorities to pay for such services. Is she saying that she would maintain the grants for this type of work on an ongoing basis?

Julie Hilling: I thank the hon. Gentleman for that contribution. Yes, absolutely. I am not simply saying that we should maintain the funding; I am saying that we should increase it. I will give some statistics at the end of my speech that will show how positive intervention and positive activities with young people saves the state a great deal of money. Such funding is an investment and, as I said, if the hon. Gentleman bears with me, I will provide some statistics later to show how when a small amount of money—it is a small amount—is put into services for young people, it saves the state thousands of pounds on much deeper interventional work.

Mr Rob Wilson: I am listening carefully to what the hon. Lady says, much of which seems to focus on the negative side of what is going on. Has she paid any attention to, for example, the plans for the national citizen service and the positive things that that can do for society cohesion?

Julie Hilling: I thank the hon. Gentleman for his contribution. If he will bear with me, I will talk about the national citizen service in just a few moments.

In reply to a parliamentary question that I asked the Minister on 15 November, he did not respond to me about the rapidly declining fabric of the maintained youth service, but instead seemed to state that the national citizen service would compensate for the decline in other provision. I hope that I misunderstood him. However, if I did not, perhaps he can explain how allocating £370 million to the national citizen service for, in effect, short-term summer scheme opportunities for 16-year-olds will possibly compensate for the loss of the current youth service budget of less than £300 million per annum that runs for 365 days a year?

Does the Minister share my concern that many child protection and health and safety issues are raised by the fact that inspecting organisations with no track record in residential work and professional youth work delivery will be running the short-term national citizen service? I am deeply concerned that they do not have the capacity or the experience to operate outdoor activities and residential work according to the Department's health and safety guidelines. Can he give me any assurances in that regard? Also, who will inspect the quality of the service? The youth service was previously inspected by Ofsted, which has commented on its rising standards over the past four years, when other services were often declining.

I welcome the fact that the Select Committee on Education is conducting an inquiry into youth services and that it will be examining the introduction of the national citizen service. Youth service professionals and many of us in this place are beginning to wonder whether the Minister actually understands what the youth service is. The youth service has been recognised in the different jurisdictions of the United Kingdom as an integral part of the education system. Does he agree with the Welsh Assembly Government, the Department of Education in Northern Ireland, the Education and Inspections Act 2006 and the Scottish Government that the youth service is an integral part of the education system?

Youth work is based on a voluntary professional relationship between skilled youth workers and young people, so it has a broad spectrum of influence and success. The various youth councils across the country and the UK Youth Parliament, which so successfully engages people in political education and civic involvement, simply would not exist without the support of local authority professional youth workers. At the other end of the spectrum, as the work of Professor John Pitts has clearly shown, the youth work method is the most effective means of reducing young people's involvement in gang crime.

Mr Wayne David (Caerphilly) (Lab): Does my hon. Friend agree that the youth service provides an important element in improving the employability of young people because one of the things it does is improve the soft skills that employers are crying out for?

Julie Hilling: Absolutely. I could not have put it better. The youth service is important in encouraging social and political education, social interaction and decision making. There are far too many distinguished reports to mention that demonstrate conclusively that youth workers play a vital role for young people in re-engaging them in education; making their lives healthier; improving their access to learning; strengthening information, advice and guidance; supporting partnership working; participating in structured leisure-time activities; helping them to stay out of the youth justice system; and encouraging them to play an active and voluntary part in their local communities.

Such successful work is achieved by a relatively small cohort of 7,000 professionally qualified staff, working with 30,000 trained youth support workers and, as I have mentioned, an army of half a million volunteers. Those staff work for local authorities and voluntary organisations, but local authority funding is the key. The values, occupational standards and skilled training are the glue that holds the service together. It is therefore with great sadness that I report that youth and community work training courses may now face wholesale closure.

The sector is really proud of its training courses, which are offered by about 30 universities and other providers. The courses are themselves a product of a "big society" kind of effort. The standards of the courses are validated by the voluntary efforts of professional education and training standards committees, which rely on volunteers to create and monitor standards. Those committees have decided to apply an important set of criteria on training courses, one of which is the requirement that students are recruited after proven and committed experience as volunteers or part-time youth workers. As a result, youth work students are deeply committed to their profession and have all volunteered in it. That is a model of the big society ethos.

Most mature students enjoy a second chance to learn and do not come into higher education through the traditional academic routes. They are community activists and organisers who are concerned to become skilled in what they do. The qualification for youth workers relies on the successful completion of 50% of field work practice. Around 60% of the students are women, and more than 30% are from black and minority ethnic communities. The high demands of placement learning mean that they cannot easily supplement their student time with paid work.

Despite their strong virtues, youth and community training courses, which became degree-level courses in September, have never received funding equivalent to that for teachers or social workers. The students, who are by and large older and less well off than others, have had less resourcing in higher education, but now the situation is even worse. Is the Minister aware that the proposal to remove funding for bands B and C will hit youth and community work courses, and can he give me an assurance that he will look into that with a view to reversing the decision for those courses? I can assure him that failure to do so would be the final nail in the coffin of a valuable service that, ironically, his predecessors created at a time of much higher national debt.

Reducing the deficit and cutting public sector spending is the order of the Government's day. Whatever we might think about the cuts, we all have an interest in

cost-effective public services, so I will finish by highlighting the exceptional cost-effectiveness of the youth service and youth work. It is estimated that for just £350 a year for each young person, all young people could access a good youth work offer. Current spending is £100 a head per annum for 13 to 19-year-olds. More specifically, the Joseph Rowntree Foundation commissioned an exercise on the cost of detached youth work, which found that a project that provided a full range of services and was in contact with 125 young people a week would cost £75,000 a year, or £16 for each contact. It concluded that for disadvantaged neighbourhoods, a systematic street-based youth service would cost a fraction of the amount spent on other services targeting that group. It cited, in particular, the £450 million budget for the Connexions service.

Other research has highlighted the relative costs of the criminal justice system and other forms of intervention, including youth work. The Green Paper, "Every Child Matters" stated:

> "Society as a whole benefits through reduced spending on problems that can be avoided and through maximising the contribution to society of all citizens. For instance, a child with a conduct disorder at age 10 will cost the public purse around £70,000 by age 28".

The Audit Commission's report on the benefits of sport and leisure activities in preventing anti-social behaviour among young people estimates that a young person in the criminal justice system will cost the taxpayer more than £200,000 by the age of 16. The young person who is given support to stay out of the system, however, costs less than £50,000. Other comparative costings include: £1,300 a year per person for an electronically-monitored curfew order; around £35,000 a year to keep one young person in a young offenders institution; an annual average of £3,800 a year for secondary education; and around £9,000 per person for the average resettlement package after custody. Against those, £350 a year for each young person would be a small price to pay to unlock the rich benefits of community-based provision for all and to provide extra opportunities for personal and social development for those young people who, by virtue of life experience and circumstance, are so disadvantaged that they cannot successfully make use of mainstream services.

I could speak about the young people I have worked with over the years and the difference that youth work and youth workers have made to their lives, but I have spoken for long enough. I will end with a plea. We are entering a period that will be even harder for young people. They will have to deal not only with the normal trials and tribulations of entering adulthood but with unemployment, cuts to local services and higher costs for everything. I plead with the Minister to take action now to protect and invest in a highly cost-effective service. I ask him to please take action to defend youth work and youth services before it is too late. Youth work has always been known as a Cinderella service, but please let Cinders go to the ball.

Several hon. Members *rose—*

Mr Mike Weir (in the Chair): Order. A considerable number of Members wish to speak. I intend to start the wind-ups at about 12.10 pm, so I encourage brevity.

11.27 am

Anne Marie Morris (Newton Abbot) (Con): I thank the hon. Member for Bolton West (Julie Hilling) for securing this debate on what is undoubtedly an important issue. Young people deserve our support, and youth services are vital to all our communities. She is absolutely right that if young people get a better start in life, our communities are safer and more cohesive as a result. It is also correct to say that prevention—she gave us many figures on that—is better and much more cost-effective than simply waiting for the cure.

The number of young people who are not in education, employment or training—NEETs—is horrifying, and it is crucial that we engage those individuals in our communities. In my part of the world, Devon, 1,190 young people between 16 and 18—5.7% of the people in that age bracket—are unemployed, do not have training and, frankly, have very little hope. As the hon. Lady explained, that has a cost to society, and it is not insignificant. The figures vary, depending on how they are calculated, but those I have looked at show that each NEET costs around £97,000 over their lifetime. That figure could exceed £300,000, depending on the benefits they have to look for.

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate the hon. Member for Bolton West (Julie Hilling) on securing the debate. On the point made by my hon. Friend the Member for Newton Abbot (Anne Marie Morris) about NEETs, in Medway, 666 people in a population of 260,000 are NEET. Does she agree with me that we need to do all we can to support organisations such as the Medway Youth Trust, a charity that does excellent work in giving people who are NEET support and help to move into working life?

Anne Marie Morris: I thank my hon. Friend for that intervention and endorse what he said. Such organisations should, undoubtedly, be encouraged.

We are missing one key piece: providing youth services must be about providing quality. It is not a matter of how much money is thrown at something but how it is spent to get the best possible result. I am lucky, because Teignbridge, which is my local area and a large part of my constituency, has an excellent youth services record. The portfolio holder described Mike Stevens, who is the leader of the unit in Teignbridge, as outstanding and said that, if she could, she would clone him. There are some extremely able people who deliver high-quality services.

There are two outstanding examples in Teignbridge district. In Newton Abbot, which is at the heart of my constituency, an organisation called Chances, which operates out of a building called The Junction, is responsible for giving many young people who are excluded from school hope and a future that they would otherwise not have. I have seen the kind of outward-bound courses that are offered and the engagement of the teachers who work there, and they are fantastic.

More recently, a new centre was opened in Dawlish, which is another key town in my constituency. It is called Red Rock, and what is special about it is that it is a fine example of the big society. I would take issue with the hon. Member for Lewisham East (Heidi Alexander), who suggested that the big society was merely a convenient

[Anne Marie Morris]

label. The centre evolved from the local business community, the local voluntary sector and the local authority working together.

Kelvin Hopkins (Luton North) (Lab): The hon. Lady speaks about the big society. One imagines that that means that local voluntary and third sector groups will take over where public services are cut. In my constituency, we have had a meeting with a dozen local organisations that are fearful that their funding will be cut, and that they will be able to provide less, rather than more, in future.

Anne Marie Morris: I thank the hon. Gentleman for his contribution. I shall turn to funding in a minute, because clearly it is relevant, but let me stick with quality, which is key.

That project involves real engagement, and it is not the intention of anyone—certainly not the county council—that group A should take over from group B. What people see in the future is an integrated approach among different parts of our community, which we should commend.

I believe that there is a misunderstanding about funding. The hon. Member for Bolton West spoke about cuts. It is known across the House that this country is plagued with a huge national debt, and that the Government have to look at the measures to be taken. However, they have not cut youth services. They have taken away the barriers between individual prescribed funding streams that central Government used to pass money down to local government, but the amount of money going from central Government to local government remains unchanged.

Stella Creasy (Walthamstow) (Lab/Co-op): Will the hon. Lady give way?

Anne Marie Morris: May I finish? Local government has been given the opportunity to use money sensibly. Ninety funding streams will be reduced to 10, and that will substantially reduce the bureaucracy. It will also liberate £7 billion-worth of funds for local authorities to use appropriately. There is certainly no intention that this should be about cuts between between national and local government.

Stella Creasy *rose—*

Julie Hilling *rose—*

Anne Marie Morris: I will allow interventions in a moment. Let me just clarify my point on funding. What we will see in local government is a review of what quality and value for money should look like. In speaking to my county council, I have found no evidence that youth services per se will be any harder hit than any other part of the budget. On community engagement, we are looking for more, not less, but before I move on, I am more than happy to give way.

Stella Creasy: Can the hon. Lady clarify what she thinks the cuts to the Department for Education's non-school budget and the cuts to the voluntary youth sector development grants will mean? That central Government funding for youth services has been cut—that is a national cut in funds for youth services. What does she think will be the impact of that?

Anne Marie Morris: I thank the hon. Lady for her intervention. I am sure that in due course the Minister will clarify exactly how that will work, but my understanding is that it is not about reducing money but about taking away artificial barriers between individual pots of money.

Julie Hilling: To add to what my hon. Friend the Member for Walthamstow (Stella Creasy) said, the cuts to the youth opportunity fund and youth capital fund were cuts in central Government funding, so this is not just about local authority cuts. In addition, money that was coming from the Department for Education specifically for youth work has been cut. That is a double whammy for local authority and area-based youth services.

Anne Marie Morris: I thank the hon. Lady for her intervention. Again, she is talking about structure rather than amount. As the Minister will explain, we absolutely will support youth services because they are important. The hon. Lady mentioned several new initiatives, including the national citizen service. Actually, there is a new group in the constituency adjoining her own. It is called the Bolton Lads and Girls Club, and I hope that she will welcome it. I am lucky, because the national citizen service, which provides an outward-bound social action experience for young people, will see 900 places created across the south-west by Young Devon and the South West Consortium. That must be a good thing for the future.

Julie Hilling *rose—*

Anne Marie Morris: If I may, let me get back to the principle. We have been asked to keep contributions short, so I will not take any further interventions.

Quality is key. In conversations that I have had with my county council, I have found that people like Mike Stevens and what he contributes are highly valued. That kind of provision is not at risk. What any responsible council must do is look across their patch for the best way to provide best-quality services. Our young people deserve no less.

11.37 am

Rachel Reeves (Leeds West) (Lab): Again, I thank my hon. Friend the Member for Bolton West (Julie Hilling) for securing this debate. I am sure that we have all seen in our constituencies the excellent work that youth services do. In Leeds West, there are several vital services. Earlier, I mentioned one of them—Bramley and Rodley Community Action Trust—and now I would like to highlight the role of another one.

Armley Juniors is a small group in my constituency. It is run by just three people in a deprived part of a constituency that already has low incomes and low educational attainment. Armley Juniors took over an old post office in the constituency and has managed to turn it into a youth centre with a kitchen for cooking classes. It also offers computer lessons and a communal area for children on the estate, and runs sports teams and outdoor activities during term and school holidays.

It benefits from funding from Leeds city council and a peppercorn rent on its site, but, like many youth services across the country, it operates on a shoestring budget.

Leeds city council faces 27% cuts across the board during this Parliament, and the people in the dedicated team running Armley Juniors, whom I visited recently, are extremely worried about their future. Such issues may not register on the national scale, where we are seeing significant job losses and cuts across the board following the comprehensive spending review—indeed, in Leeds alone, we are facing the loss of 3,000 council jobs—but on the Heights estate in Armley, where Armley Juniors operates, the removal of funding would deprive young people in the community of the only communal space in the area.

The estate is a densely populated inner-city area with no playing fields, no other youth clubs and no sports halls. To make matters worse, Government cuts mean that the council now has to charge local youth groups for their use of school playing fields and community areas, which is a double whammy for groups such as Armley Juniors that need to use those facilities if they are to provide activities, especially sports activities, for young people.

Fiona O'Donnell (East Lothian) (Lab): Does my hon. Friend agree that with a comprehensive spending review that will hit children and families even harder than other sections of society, the need for services such as those in her community will be even greater?

Rachel Reeves: I agree with my hon. Friend. As well as having some excellent youth services in my constituency, we have Armley prison, and the point made earlier by my hon. Friend the Member for Bolton West about the long-term impacts of cuts to youth services rings true to me. A lot of people who provide youth services in my area say that their aim is to ensure that young people from very deprived backgrounds do not become the future inmates of Armley prison. During these difficult economic times, it is very worthwhile considering long-term impacts. Many hon. Members here today will recognise that this is an issue in their constituencies, and I fear that the cuts will cost us more in the long term.

Alongside the cuts to the police in Leeds, there are cuts to sports funding in schools, which we read about over the weekend and on which we will hopefully—although I fear not—hear some more positive news this week. There are also cuts to free swimming, and cutting services such as Armley Juniors on top of all that will have costly implications for both the community and for Government spending in the long run.

Most of us remember the 1980s and the generation of young people who were condemned to the scrap heap then. I was at school in that decade, and remember well the funding cuts that meant that sports clubs and after-school activities were available to children if their parents had money, but that children whose parents did not have money and who lived in inner-city areas without open spaces or playing fields, missed out. I urge the Minister not to allow us to go back to those bleak days. The value of organisations such as those that we are championing today cannot be measured, as my hon. Friend the Member for Bolton West said, just by their cost on a balance sheet. They educate, engage and inspire young people and make a huge difference to their lives. Cuts on the scale envisaged by this Government will devastate youth services across the country, and I urge the Minister to think again.

11.42 am

Justin Tomlinson (North Swindon) (Con): I congratulate the hon. Member for Bolton West (Julie Hilling) on securing this extremely important and interesting debate. I am not sure whether I will be able to share her passion, but I shall do my very best.

During my 10 years as a councillor before becoming the MP for North Swindon, this was one of the most important issues that came up in the residents surveys and in the public meetings that I held. Parents generally accepted that their children were well catered for during school hours, but there were often concerns about after-school hours and the weekends. I have very many happy memories of going to youth clubs in the 1980s, and I know that youth provision is essential. It channels energies, and provides support and opportunities to develop, and many hon. Members who have already spoken have gone into detail on that. I sympathise with those who highlight funding pressures, or even call for youth provision funding to be made statutory. However, I think that far more can be done without money, services and facilities, and so in my brief speech I shall touch on some positive suggestions based on my experience as a councillor and my work with the youth service.

Local authorities should do a lot more with their buildings. I recently secured a Westminster Hall debate on the future provision for libraries, and I think that councils could do a lot more to open up community buildings such as libraries to organisations for the provision of facilities. It does not cost much to put shelves on wheels and to push them to the side in the evenings. It is a great crime that we have many facilities that are open for only 10 hours for their primary function, with the community being locked out for the remainder of the week. More should be done also with schools. I was interested to hear the comments of the hon. Member for Leeds West (Rachel Reeves) about her experience in the '80s. Today, we have huge swathes of private finance initiative schools, but the communities that I represent cannot afford to access those wonderful facilities and, therefore, far more should be done to open up the schools.

Our leisure facilities—sports facilities predominantly—should do a lot more with the youth service. The Twilight Football schemes target children from challenging circumstances and promote positive engagement, and that makes a big difference. Also, where there is funding to build new facilities, those facilities should be accessible. I have seen many facilities that in hindsight were built in the wrong place, and I am delighted that the new £1.2 million youth facility in my constituency was built in the town centre, which is easily the most accessible place.

Many hon. Members have also talked about the big society, and Labour Members often try to produce scare stories about that being a way to cover for potential funding cuts. The reality is, however, that it is about empowering local organisations, and the Government and local authorities can do more to support them.

Mr David: I am president of the Council for Wales of Voluntary Youth Services and all the voluntary organisations involved are extremely keen to play a

[Mr David]

bigger role in the big society—there is no question about that. However, they all say to me, "We cannot do that if our grant aid from the public sector is being cut dramatically." Does the hon. Gentleman not accept that the things that he is talking about are almost incidental to the major cuts that will affect the voluntary sector over the next couple of years?

Justin Tomlinson: I was speaking at the Voluntary Action Swindon annual general meeting on Friday, and I got similar messages there. We cannot hide away from the current economic challenges, and I am trying to set out some areas in which we can make a positive difference. The shadow Minister will confirm whether it is the Labour party position to find some money—good luck if it can—and the Minister will set out the Government's position. We cannot ignore the situation that we are in.

I have talked about making more of our buildings accessible. Many organisations have said to me, "We've got willing volunteers and enthusiasm. We can see a problem and we want to tackle it, but we don't have access to facilities." Whether as Government, local authorities or local businesses, we could do far more to provide those facilities, along with advice and support. One challenge in getting funding is the need to fill in extremely complicated forms. When I set up the sports forum in Swindon, a lot of effort was put into filling in forms. Volunteers are keen to make a difference on the front line, but not to lock themselves away in offices for many hours with complicated forms.

The youth service also needs to be a lot more proactive in matching with the times at which children or young people actually want to use its services. I am delighted that many authorities have changed their hours to match when children are outside school, and they should also go to where the children are. Too often, I have visited youth centres where a service is being provided to just a handful of children. In my constituency, we have an ice-skating disco on a Friday night. There are 650 children there, and the youth service should be parked outside providing help and support to those children who require it. Not every town has an ice-skating disco, but the same principle would apply to a cinema or bowling, or to teenage nightclubs, which I am assured are still very popular. In communities where there are open spaces, the leisure or youth teams could turn up with footballs and bibs, or rounders equipment, and organise impromptu games. I am sure that all hon. Members see when out in their constituencies that there are lots of kids hanging around, and they feel that someone should go along and positively engage with them.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): On the point about reaching out to small groups and how it would be better to reach out to larger ones, some of the hardest-to-reach young people in some of the most difficult-to-reach communities need youth work outreach and support on a very small scale. I have seen youth workers in some of the most difficult parts of my constituency just hanging out with children on the streets of an evening, so that the children at least engage in positive dialogue while they hang out. That is the kind of youth outreach work that is in danger when we focus on big projects and on the big national citizen service, rather than on smaller initiatives directed at particular groups of young people.

Justin Tomlinson: I am not sure that I agree. My point was about going to the young people, but the hon. Lady has made a good point. Engaging with certain children is very challenging, and the youth service must be as proactive as possible. If that means that it parks itself right in the heart of communities and engages directly, that is only a good thing. The service can also be there through the leisure facilities—teenage discos for example—so I sort of agree with the hon. Lady.

Finally, the principle of the National Union of Students discount card, which applies to students, should be extended. A lot more could be done to get young people discounts so that they can make more of the leisure facilities that are accessible to them. As a consumer body, young people are huge in number. By being proactive, we can make those facilities more accessible, to tackle the problems of boredom.

11.50 am

Stella Creasy (Walthamstow) (Lab/Co-op): I, too, congratulate my hon. Friend the Member for Bolton West (Julie Hilling) on securing this important debate. There is no doubt that all hon. Members in this Chamber are concerned about the personal development of Britain's young people and how best to secure that. As somebody with a background in the voluntary youth sector as well as local government, I recognise well the concerns expressed by many hon. Members today.

I want to make three points. First, the message that came through strongly in my hon. Friend's speech is that early intervention is valuable. The benefits to society from working with young people accrue much later on, but that does not mean that we should not recognise them early on. It is about understanding the best way of intervening. One of the challenges—one thing that we Opposition Members see in some of the things the Government are doing—is that the ability to be flexible and work with young people in a range of different ways seems to be narrowing rather than broadening.

It is about not just spaces and places for young people, but the people who work with them and the purpose of that work. We need both generalist activities that help and support young people, many of which come from the voluntary youth sector, and specialist services. I have worked in setting up both kinds of activities in my local community in Walthamstow—working with young people at risk of joining gangs, and with young people to help them achieve their potential in a broader sense. I am concerned about the idea that the national citizen service can be mixed with those more integrated services.

The Parliamentary Under-Secretary of State for Education (Tim Loughton) *indicated dissent.*

Stella Creasy: I am glad to see the Minister shaking his head. Those two things cannot be comparable. We in the youth sector know that they are apples and pears. The national citizen service, which is interesting, should in no way be regarded as a compensation for the ability to integrate services and work with young people in their communities in the long term. In areas such as Walthamstow, it is important for people on the ground to build up trusting relationships over time with young people to help them make the right choices in their life. It is critical that we understand the need to intervene

differently in respect of various age groups and children in differing circumstances. Youth services in local areas have been able to develop ways of working around young people, rather than around the service that is delivered. I accept that that differs in various places. There are issues about how youth services are delivered, but we Opposition Members are concerned that the cuts that are coming through now will hamper youth services' ability to be more flexible in working with young people in different ways and producing the interventions that people need to get the outcomes we all want.

Secondly, the consequences of the public sector cuts, nationally and locally, are already clear. I urge the hon. Member for Newton Abbot (Anne Marie Morris) to look again at the impact of the cuts on the national and local youth sector, particularly the voluntary youth sector. We recognise the interconnectedness of the voluntary youth sector and local youth services; that is the challenge for us. The National Council for Voluntary Youth Services has said that already this year youth sector organisations have lost 20% of their budget, and that 80% of the programmes that are closing are those working with people who are not in education, employment or training—the very group we are especially concerned about. That is already happening as a result of the in-year cuts.

There is understanding about the relationship between the voluntary youth sector and youth services locally, and other public services. It is important to put on the record the great support that the police and health care services in my area provide to youth projects. However, before we can get to the great world in which the voluntary youth sector is more involved in running services, we will see it being cut off at the start, so that it will be unable to do some of the more innovate partnership work we all want to see happen.

I shall make my third and final point brief because I recognise that we are short of time. The challenge we are facing is not difficult economic circumstances but the question, "What are our priorities?" If our priority is to get best value for money, it is clear from the case made by my hon. Friend the Member for Bolton West that investment in voluntary youth services and youth services locally reaps dividends well beyond the initial financial investment.

What is the best way to tap into the ability and interest in volunteering with young people locally, and how best to support it? I welcome some of the ideas the hon. Member for North Swindon (Justin Tomlinson) has come up with, but he did not say how he would get the youth services bus to the youth disco, or who would pay for the person who organises and manages that. That is our critique. The hon. Gentleman's ideas are fantastic, but how will he make them happen? Delivery and implementation—

Justin Tomlinson: There is still funding, although all hon. Members accept that that there are challenges in that regard. My point is that people should make the best use of their resources. I would expect that to be a priority in respect of organisations' funding.

Stella Creasy: No one doubts the need to make the best use of resources, but cutting resources year in, year out with no alternative and asking the voluntary sector to pick up the slack does not add up. For example, it is explicit in the tender document for the national citizen service that the Government are already saying, "We will not fund this properly. We're expecting the voluntary sector to pay for it." Many voluntary sector organisations that might work with youth services in future to provide the more creative services that the hon. Gentleman was talking about are dependent on public sector funding, so they will be unable to do the work he wants to happen, let alone to provide services not just for 16-year-olds for three weeks over the summer, but for every age group at the point at which they need intervention.

I plead with all hon. Members to give the Minister the evidence and encouragement he needs to return to his colleagues and fight for the funding that youth services so desperately need to deliver services that we all want for young people in our communities. I am looking forward to welcoming the Minister to Walthamstow tomorrow, so that we can have a conversation about how he can fight for the funding he needs to deliver the services that all hon. Members in this Chamber want to see delivered.

11.56 am

Simon Hughes (Bermondsey and Old Southwark) (LD): I am grateful for the opportunity to say just a few words in this important debate, and I am grateful to the hon. Member for Bolton West (Julie Hilling) for securing it.

I am ashamed to admit that I have been involved in the youth service for nearly 40 years, since I was a teenager, particularly in detached youth work, which is, for me, one of the most important areas of youth work in urban Britain and many other places, too. I want to say a few words and join other hon. Members in pleading for the Government to ensure that they understand the importance of Government and local authority support for the youth service.

I have always believed that there ought to be a statutory youth service. That is my party's policy, it is still my belief, and I hope that before long that can be the position. It has always been a Cinderella service, although it is the bit of support for young people that is needed to complement parental and family support, and school and educational support. Other role models who are not authority figures can often be far more influential in ensuring that young people have the development, security and safety they need.

I welcome the Education Committee's inquiry. The Government are looking forward to introducing comprehensive proposals in the new year. I welcome that. The Minister has often been well received since taking on his job. I thank him for that. I am keen for him to be bold and ambitious, both in his Department and across Government, because this is not only the responsibility of the Department for Education.

The national citizen service is a good idea, but as colleagues have said it is a time-limited, specific activity for some people at some time. It will grow slowly. The reality of the youth service is that it can be found by and is accessible to everybody in every community. That is the difference. The youth service is there now. We have to ensure that we do not lose any of its validity or accessibility.

May I make a special plea to ensure that the funding for people to be qualified and trained as youth workers is increased, not decreased? Some of the best,

[Simon Hughes]

most talented people, who may not have a great academic background, come through the youth service as volunteers, then realise that it is their vocation. They have just the sort of skills that are needed. Often, they are women or people from black and minority ethnic communities. They are really good role models who have been where the youngsters are now. They understand the score, because they have been in the front line and have come through. We need to ensure that they are given the educational support to go on and do practice-based qualifications.

I have said that my engagement has mainly been with detached youth work, but that is not to underestimate club-based or specialist youth work. The benefit that the hon. Member for Bolton West mentioned in being out on the street, engaging with youngsters where they are, not expecting them to come to where the service is, is fundamentally important. If people are to gain the confidence of young people, they do not say, "Come and do it my way"; they say, "We're going to come alongside you and understand what you want."

We know that local government will have a hard time, as will central Government, because the settlement is difficult. But local government does not have to find all its savings by cutting grants to the voluntary sector and does not have to cut equally across the board. I plead with every council, no matter who runs it, to make sure that they do not think that the implication of a severe spending cut means cutting the voluntary sector rather than reducing the in-house services. Often, the latter needs to be done, because money for the voluntary sector can multiply in terms of its benefits in the community.

Yasmin Qureshi (Bolton South East) (Lab): Will the hon. Gentleman give way?

Simon Hughes: I will not because I am conscious that other hon. Members want to speak.

I am keen to ensure that evening and weekend work is supported. One of the problems with a lot of traditional youth services is that they were there—fantastically—on Monday to Thursday evenings, but not on Fridays, Saturdays or Sundays. That is exactly when young people need places to go to.

A good example of a youth service was a place I went to in south Wales a few years ago. The kids wanted somewhere to hang around safely. They were given support locally in the valleys and they were able to build a shelter. It was a very simple shelter, but they built it and it was their place. It was a sort of glorified bus shelter, but it meant they had somewhere they could go, supported by individuals. Often, simple things that cost small amounts of money can transform people's self worth and allow them to have a place they can call their own and build on.

Lastly, the hon. Member for North Swindon (Justin Tomlinson) pointed out that there are often many unused buildings. In difficult financial circumstances there is an imperative for organisations to work together complementarily, to ensure that facilities are shared and that people do not just do their own thing. That is often a danger in the statutory youth sector if there are schools that do not stay open after school hours or youth clubs that open only in the evenings. Local authorities need to lead on that, and my plea is for the Minister to say to every council, "You lead with the voluntary and faith groups. Do the work on the ground."

The Minister must also ensure that we have funding for youth workers whom we need to do their job, and that we do not lose them; we need them now more than ever. We must not lose key services, which are often the glue that keeps communities together as well as keeping young people and their communities safe.

12.1 pm

Kelvin Hopkins (Luton North) (Lab): I am pleased to have the opportunity to contribute to this important debate, and I congratulate my hon. Friend the Member for Bolton West (Julie Hilling) on her excellent speech. She is clearly not just an expert but passionate about her working life before Parliament, and she probably knows more than anybody in the House about the youth service. I hope the Government will listen to her.

Luton North is an unusual constituency. When I was elected in 1997 it had the highest proportion of children aged under five in the whole country. In more recent years, it had the highest proportion of school-age children in the country, and those are now young people. There has been a surge of young people, and although Luton has wonderful educational and youth facilities, we have a considerable number of young people who are disaffected and perhaps not so successful in education, and they need much more support. We had a large number of people not in education, employment or training, and until recently, we did not quite know what was happening to them every year.

A number of community centres were built by Labour councils in the past. When I was a councillor in the 1970s, we built superb facilities that are still in operation today. However, facilities alone are not enough. We need staff to operate them. Some of that staffing is now being squeezed, and some of the services in those centres for young people are being trimmed at the edges, despite the fact that we have an excellent Labour council that is doing its best. There are problems now, and unless something is done it will get much worse once the serious cuts come through. To pretend that youth services do not need to be cut and that we can squeeze somewhere else is playing with words. The cuts will affect every service one way or another. The youth service has been underfunded in the past and it does not need less funding; it needs much more.

[Andrew Rosindell *in the Chair*]

One factor is safety, which my hon. Friend mentioned. Young people are on the streets. It is not just those in gangs, but those not in gangs who do not feel safe. They need places to go and professional staff to organise activities in which they can participate. In a letter that I received this morning, Tracey Quinn, the integrated youth support team manager for Luton North and a senior youth worker, wrote,

"we are proud of the good youth work we do with young people in the north of Luton and any future cuts to this young people's service will be detrimental to both youth work and young people as part of the North Luton community."

There is serious concern at local level in Luton. I worked for Unison for many years as a researcher. It has said that Connexions will face cuts of up to 50% across the country. That has serious implications, especially for NEETs.

I must take issue with the hon. Member for Bermondsey and Old Southwark (Simon Hughes). He was talking about a national youth service and implying that the Government should take a central role in that. However, when asked to justify current cuts to youth services at a recent meeting with young people, he told them that the decision was not for central Government, but for local councils. That is saying, "We'll cut your money, but you'll get the blame." We cannot blame local authorities when they are facing savage cuts.

My major point is that I do not accept the need for cuts. I have raised that point in the Commons and, before anybody intervenes, I also raised it with Ministers in the last Government before the election. We should be targeting employment creation to bring down unemployment. That will increase tax revenues and reduce the need for benefit payments. The by-product of that will be a reduction in the deficit.

Some countries have gone for savage cuts. I feel deeply sorry for the Irish; they have gone for savage cuts, but that makes their economy perform less well. Setting aside their massive debts, they have seen output decline, and going for deeper cuts will make the problem even worse. The developed world should be reflating not deflating, but we are moving towards deflation. Cutting expenditure on youth facilities will make the situation worse. Employment generation should be used in that area to bring down levels of unemployment and start to reduce the deficit. I could go on at greater length but I have probably said enough. I will listen with interest to what the Minister has to say.

12.6 pm

Toby Perkins (Chesterfield) (Lab): Thank you, Mr Weir. *[Interruption.]* I am sorry, Mr Rosindell, you don't even look like Mr Weir.

This has been an excellent and thought-provoking debate. I congratulate my hon. Friend the Member for Bolton West (Julie Hilling) on securing the debate and on her contribution, and I will reflect on some of the other contributions.

One point that my hon. Friend made particularly powerfully was about the value that youth work provides in generating money into our communities. The fact that for every £1 spent on youth services, another £8 of voluntary activity is generated is a powerful statistic. She also reflected on the national citizen service, and whether it should be seen as an alternative to youth service provision. The general mood of the debate was that it should not.

I would be interested to hear the Minister's comments to the question raised by my hon. Friend during Education questions:

"As youth services nationally have already been cut by 30 to 40%...how will the Secretary of State ensure the quality of youth service provision in future?"

The Minister responded:

"The hon. Lady underlines the great importance of engaging the young people of this country as proper citizens, which is why we are carrying forward the national citizen service programme."—[*Official Report*, 15 November 2010; Vol. 518, c. 643-4.]

To an impartial observer, that sounds rather as if the national citizen service was the replacement for youth services.

My hon. Friend the Member for Leeds West (Rachel Reeves) said that cuts to the youth service are a false economy. That is a powerful and central point that we should all reflect on. Making such cuts to youth services will lead to additional costs in policing, social work, education, health services and fighting crime in our communities. If we do not get it right, we will be paying for the cuts to the youth service time and time again.

Justin Tomlinson: Will the hon. Gentleman confirm exactly what level of funding the Labour party would provide and how they would pay for it?

Toby Perkins: I will come to the hon. Gentleman's contribution in more detail. We had a Budget in 2010, and people could see from the direction of travel taken by the Labour Government over previous years just how much of a priority we placed on youth services. The improvement in youth services is clear as a result of that.

My hon. Friend the Member for Leeds West also said that she did not want us to return to the bleak days of the 1980s. My hon. Friend the Member for Lewisham East (Heidi Alexander) talked about the big society as a political convenience. She is in good company because the Minister himself is completely unclear about what the big society means. He says:

"The trouble is that most people don't know what the Big Society really means, least of all the unfortunate ministers who have to articulate it."

We look forward to him attempting to do that in a moment. He says:

"What actually is the Big Society, let alone is it good or not? Exactly how big is it now or is it going to be?"

I can answer that question: it is getting smaller by the moment. However, I look forward to him perhaps attempting to articulate better in the future than he has been able to in the past what the big society is and what the contribution of youth services should be to the big society.

The hon. Member for Newton Abbot (Anne Marie Morris) made a thoughtful contribution, which started well when she said that prevention was better than cure. She focused on how important it was for us to take serious action on NEETs. She may be aware of the piece in *The Times Educational Supplement* with the sub-heading "Experts predict rise in Neets as young people are left without support following local authority raids". It stated:

"Local authorities are slashing Connexions budgets"

and youth services,

"raising fears that young people out of work or education will be left without support."

In raising the initial question, the hon. Lady was on exactly the right lines. It is just a shame that she did not follow that through, but decided instead to divert us to the line we heard a number of times that the issue is the quality of the service, rather than the money. It is deeply disingenuous for us as politicians and for those in government to talk about the level of cuts that local authorities will see and say that they must not cut safeguarding—the Minister has already told them that, and the Prime Minister said that they should not cut the voluntary sector—but that it is totally up to local authorities what decisions they make. Some responsibility must be

[Toby Perkins]

taken at central Government level. If cuts of 27% in local authority funding are to be made, youth services in particular will be affected, but services will be affected across the board. We cannot keep saying to local authorities, "Well, it's your decision what you choose to cut." The Government have to take some responsibility for that.

The hon. Member for North Swindon (Justin Tomlinson) had obviously given youth services considerable thought and he reflected positively on his experiences as a councillor and the importance of youth services in that area, but he repeated the idea that the cut in funding should not necessarily lead to a cut in services. That is the elephant in the room that we need to be honest about. If youth service professionals are to take us seriously in this debate, we need to be honest about the fact that they will see very substantial cuts. I think that 95% of local authority youth services say that their budgets for providing services to young people in their area are being cut. That will make a real difference to the level of service provided.

The hon. Gentleman had some good ideas about how school and council buildings could be used more effectively, but we must be realistic. The big cost for youth services is actually for the people employed within them, so yes, we can use buildings more effectively, but there is still a cost attached. We ought to be realistic about the cost attached to improving those services. The hon. Gentleman's ideas about taking people on trips and so on all have a cost attached to them.

Justin Tomlinson: Just to clarify, opening up those facilities was as much for external organisations, whether those are scout groups, dance groups, sports clubs or whatever.

Toby Perkins: Okay. Certainly the voluntary sector will play a very important role. As someone who has been involved in youth sport coaching for the last six or seven years, I know how important the role of the voluntary sector and sports organisations is and completely support that. That is why I have been so horrified by the cuts that the same Minister has been making to the school sports partnership. That was a very important way of engaging children in sport, which led to their involvement in sports clubs.

My hon. Friend the Member for Walthamstow (Stella Creasy) reflected on the interconnectivity of all these services. That is a central point that we need to consider. The hon. Member for Bermondsey and Old Southwark (Simon Hughes) reflected on a lifetime dedicated to youth work and youth services and made a thoughtful contribution. When he reflected on the success of youth services in their contribution to the education of people who then go on to develop themselves further and become mature students, he made a very powerful point. He also reflected on the importance of street engagement in terms of youth services. That is another of the central areas in which the national citizen service will be no replacement for youth services, because the national citizen service is a universal service and the activity that it involves will take place over a very short period of a young person's life, whereas youth services are there every single day of the year, providing a service, particularly to people from more deprived communities, out on the streets. It is a service that they have to engage with; they have to make that contribution.

When the hon. Gentleman said that councils do not have to cut the voluntary sector, he was repeating the line that we have been hearing, which does not take into account the serious level of cuts that there will be for local authorities. Inevitably, when so much of local authorities' money is already tied up in contracts with external providers, the cost of redundancies and so on, the voluntary sector is an easy area for them to cut. The reality that we all recognise, and that the voluntary sector is very worried about, is the amount of cuts that there will be.

My hon. Friend the Member for Luton North (Kelvin Hopkins) focused on the fact that the cuts will not spare youth services. I put it to him that in fact the cuts will specifically focus more on an area such as youth services than on some of the statutory areas, such as safeguarding, which councils will be very sensitive about cutting.

I think that all of us, right across the House, would support the general ethos of a big society and the general principle behind it. The Minister is right to say that it still defies an exact description, but we all have an idea of what we think it ought to mean.

The lack of co-ordination between different organisations has implications for how we keep our children safe. Safeguarding is an area that many councils will be protecting, but safeguarding often applies after the problem has been identified. Youth workers play a central role in identifying children who are at risk and in making referrals. There are many cross-referrals from youth services, police services and adult social services to child social services. If those services are diminished, the number of referrals will reduce and many children will never be identified as having problems.

I would like the Minister to respond to the question about whether he agrees that youth services are an integral part of our education system. Does he still see a central role for youth services in our education system? Does he accept that local authority funding is the glue that holds a wide range of youth services together? We currently spend about £100 per year per young person. How much does the Minister think that we will spend in 2011-12? Does he see youth work as a professional role? Does he recognise the professional qualifications that youth workers have now and how important they are?

Stephen McPartland (Stevenage) (Con): Will the hon. Gentleman accept that the majority of youths in an area have no interaction whatever with youth services, and that within areas there is often tension between a number of voluntary organisations and the local authority? It would be much better if the local authorities worked much more closely with the youths and if the local voluntary organisations provided the activities and services that those young people wanted.

Toby Perkins: The hon. Gentleman makes a powerful case for expanding funding for youth services. I would certainly support him in that campaign, but at this time we are trying to protect what we have. The key point is that youth services work across our communities, but they work most closely with those in the most deprived areas, those most likely to drop out of school and those most likely to get involved in crime. The central role played by youth services in this country and their success has been recognised by people across the world.

Finally, the Minister must set at rest the minds of people involved in youth work and say that he values their work. If he does value it, he should say what he will do to ensure that the excellent youth services that are provided in this country are protected.

12.19 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): It is a pleasure to serve under your chairmanship for the first time, Mr Rosindell. This is the worst kind of debate to which to respond. I have been left with 11 minutes to take on board the excellent contributions of seven Back Benchers in this worthwhile and informed debate. It has not been quite as well attended as the debate on high-speed rail, but this matter is of great importance to everybody who is present and to people in our constituencies.

I will discard most of my speech and respond to the points that have been raised by hon. Members. At the end, I will respond to the points made by the hon. Member for Bolton West (Julie Hilling). She provided some questions to the Department at 21 minutes past midnight last night. Unfortunately, I was not at my desk and have not had time to go into them in detail. *[Interruption.]* I was at my desk at 21 minutes past 11 last night, but not at 21 minutes past 12. I am happy to provide the hon. Lady with more detail and to have a meeting with her to take up the more substantive issues.

I congratulate the hon. Lady on securing the debate and recognise her great experience in this area as a former youth worker, a former president of the Community and Youth Workers Union and a committed campaigner for young people. I believe that services for young people are vital. I have had the pleasure of visiting the fantastic Bolton Lads and Girls Club, which has been mentioned no fewer than three times. The Prime Minister has been there at least twice and the Prime Minister's wife has visited it. It is in the constituency neighbouring the hon. Lady's. Recently, I was delighted to join a group of business leaders in Blackburn who are working with the founders of that club to establish a series of similar facilities across the north-west of England, which is tremendously exciting. The commitment shown to young people by the OnSide project and by local people and businesses in Bolton is second to none, so the hon. Lady can speak from great experience.

I will set out briefly the principles of the Government's approach to youth services before responding to specific questions. We want to promote a culture of being positive about young people in this country, which engages with the media, central and local government and people of all generations. Intergenerational trust has taken a knock in recent years, and has been exacerbated by negative stories about young people and mixed messages from the previous Government. The good projects supported by the previous Government sat uneasily with the negative messages given by the respect agenda, antisocial behaviour orders, curfew orders and the proliferation of those ghastly Mosquito devices.

We want to promote the involvement of young people in decision making at the top table on matters that affect them, not just on specific youth budget issues. That is not tokenism. As money is tight, we are freeing local authorities to decide what money should be spent on in the light of local priorities. We have ended ring-fencing to give greater autonomy to local authorities. We want to introduce an early intervention grant to help disadvantaged young people get on track for success, using proven effective practices. That is the best use of public funds. The hon. Lady rightly catalogued the cost of failure in this area.

Yesterday, I visited Nottingham, the early intervention city, to see a series of projects that are being led by the hon. Member for Nottingham North (Mr Allen), who I am delighted to say is undertaking an early intervention review for the Government. That is where the hon. Lady has her roots as a youth worker. As many hon. Members have said, early intervention is key. It is important not just in the early years, but in identifying teenagers who are at risk of indulging in dangerous behaviour, before they get on a slippery slope.

We also want to promote new partnerships and sources of finance with the private sector and voluntary bodies. We want to enable voluntary bodies to challenge the monopoly provision of youth services departments. The big society bank is a particularly interesting way in which huge amounts of money might be leveraged into innovative and exciting youth projects.

I have talked to a huge number of people who are passionate about achieving excellent services for young people and I will be talking to young people, youth services representatives, businesses and the media over the coming months to develop our thinking. I have set up a youth forum of key players in the youth sector, which will meet again in two weeks. That is an important source of information, as are the various panels of young people that I have set up to inform the Government about how best to shape policy.

Young people contribute a massive amount to their communities, but the press they get is out of keeping with that and unduly negative. Antisocial behaviour must be tackled firmly, but one of my first responsibilities is to celebrate young people's achievements, and to promote a culture in the country and in the media of doing so. I am sure that all hon. Members present will want to contribute to that.

My hon. Friend the Member for Newton Abbot (Anne Marie Morris) made the strong point that prevention is better than waiting for the cure, hence our emphasis on early intervention through the early intervention grant. How that money is spent is important. We should not just throw money at projects. Their success should be determined not by the number of participants, but by whether they provide a life-changing experience for the young person, by the value added and by the quality of the experience. There has been too much concentration on how many people have participated, regardless of the outcomes.

My hon. Friend rightly said that the big society is not a political convenience, but something that has been going on in parts of the country beneath the radar for many years. We want to raise it on to the radar and to encourage more people to participate in it. The Opposition spokesman fell into the trap of lazy journalists. Occasionally, it is useful to let detail get in the way of a good headline. If he reads my speech at the Edith Kahn memorial lecture, he will see that the 17 pages subsequent to the initial setting out of the problems are rather good and set out what the big society is all about. I recommend

[Tim Loughton]

that he reads it in full; it is available on the Department for Education website. It sounds as though Mike Stephens is something of a one-man big society in his own right.

The hon. Member for Leeds West (Rachel Reeves) went on about the bleak days of the 1980s. She clearly got her headline because she has now legged it elsewhere. She mentioned Armley Juniors, which has set up a youth facility in a local post office—one of the few things to come from the previous Government's wholesale closure of the post office network.

The Government's policy is not about cuts, but about new and smarter ways of doing things. Just yesterday, we launched the voluntary and community sector grant scheme, which encourages youth services organisations to come forward with their good ideas to get funding from the Department for Education. There is a new £110 million education endowment fund that will allow schools, charities, local authorities, academy sponsors and other groups to bid for funding to boost the attainment of disadvantaged pupils. There is about £470 million to help fund key programmes, including the training of community organisers, the creation of a new neighbourhood grant programme and so on. We should look beyond the headlines.

My hon. Friend the Member for North Swindon (Justin Tomlinson) is right that we should use existing facilities in a smarter way. We want to use children's centres more out of hours and at weekends for youth activities. We should make more use of schools and sports facilities that are lying idle for much of the time. In my constituency, I set up a midnight football project that runs from 10 o'clock to midnight on Saturdays at a leisure centre after it has closed. That is when it is not being used and when the problems happen.

I will come on to the points made by the hon. Member for Bolton West, but because I have so little time I think that we will have to have a meeting. She asked about collecting information on youth services and auditing them. The Government collect annual figures on local authority expenditure on youth work through what have become known as section 52 returns. We are reviewing all data requirements on local authorities, but we have no plans to discontinue the collection of that information. I hope that that answer is helpful.

It is important that youth services are scrutinised by local young people. Youth mayors—there is one in Worthing—youth cabinets and UK Youth Parliament members should scrutinise the quality of youth services. They should use their voice to challenge local authorities and the Government. I spend a lot of time with them.

The hon. Lady mentioned West Sussex and I am aware of the pressures on local authority budgets. In fact, West Sussex county council has changed the way in which it does things and the cuts will not be of the level that she mentioned.

I look forward to visiting the project tomorrow with the hon. Member for Walthamstow (Stella Creasy). The national citizen service is not compensation for youth services. The funding will not come out of the Department for Education's funding for youth services, but will be completely separate. However, it does bring lessons for new ways of doing things that can be applied to the youth sector—it is about inspiring young people. We are not discussing just a short summer camp, but an experience of a lifetime at the transition to adulthood that will engage and re-engage young people in their communities on an ongoing and lasting basis. Let us not confuse it with a glorified summer camp.

There are many more questions, but I am running out of time in which to answer them. I would be delighted to meet the hon. Member for Bolton West.

Andrew Rosindell (in the Chair): Order. We must move on to the next debate.

Heritage Sites (Halesowen)

12.30 pm

James Morris (Halesowen and Rowley Regis) (Con): It is a pleasure to speak under your chairmanship for the first time today, Mr Rosindell.

At first glance, the debate seems specific to my constituency of Halesowen and Rowley Regis. However, potentially wider implications regarding the role of English Heritage should become clear and might well require further investigation.

People in Halesowen are proud of their cultural heritage and are concerned about one particular site of historic interest, which I want to talk about in some detail, as it illustrates some of the wider points that I want to make in the debate.

Halesowen abbey has been an intrinsic part of the heritage of Halesowen since it was founded nearly 800 years ago, in 1215. It was used as a monastery until the 16th century, when it was closed down by Henry VIII. The site was later granted to Sir John Dudley, the Duke of Northumberland, before being sold to the Lyttleton family in 1558. It later descended to Lord Cobham, who sold it to the current owner in 1993. A number of impressive tiles from the abbey are now held in the British Museum. The *County Express*, on Saturday 3 August 1938, reported a major archaeological find at the site. Many local people and the Halesowen Abbey Trust, which has been influential in looking after the site, are convinced that there are other archaeological deposits on the site of major historical significance.

The abbey is, under law, a scheduled ancient monument of national importance, which comes with certain implications that I will touch on later. The abbey was first classified with such significance in the early 20th century. Since 1950 it has also been a grade I listed building due to its special architectural and historic interest. The abbey is, evidently, not just another old building, but rather a demonstrably iconic piece in the Halesowen historical jigsaw.

Concern has been expressed on decisions about the site over a long period of time. Since 1993 many local people and groups have expressed concern that changes at the site have run roughshod over planning law and local opinion in Halesowen, even choosing to ignore and contradict the stipulations laid down by the Secretary of State in 1995, when giving scheduled monument consent. At that time, rather than knocking down an outbuilding, as approved by the Secretary of State, an extension was built on to an existing building.

I have no personal animus towards the current owner of the site, but several retrospective planning permissions have been applied for on multiple occasions, and the local group the Halesowen Abbey Trust argues that lasting damage has been caused, for example through repeated unauthorised tipping, to this site of national significance. As a consequence, there has been a substantial drop in the number of visitors to the site, from around 1,800 visitors in one weekend alone in 1989 to the temporary ending of public access in 2001. Furthermore, in spite of poor upkeep, when the site was opened for a three-day period earlier this year, more than 500 people visited, illustrating the importance of the site to local people and those from the surrounding area.

English Heritage itself has, on a number of occasions, observed the poor condition of the site, reporting

"broken glass, barbed wire, bricks, pieces of steel piping, fallen roof tiles and beer barrels"

among the reasons for a failure to open the site and as a general comment on its deterioration. English Heritage has also accepted that the unauthorised works that went on might have damaged buried archaeological artefacts.

As I said, I do not hold any personal animus towards the current owner, and it is up to the development control committee of the local authority to determine whether the current owner has the best intentions of Halesowen at heart when it considers his planning application. It will be for the committee to decide whether the conversion of a number of abbey outbuildings and barns into residential properties offers any improvement to the site—I understand that, last night, the most recent application for the barn conversion was accepted and passed by the development control committee.

As a result, it is absolutely imperative that English Heritage plays a proactive role in the future of the site, and that it answers some important questions about its role in the future preservation and development of this important historical site. What monitoring and level of active interest will English Heritage now exercise as a consequence of the decision? Will it oversee necessary archaeological work? Will it conduct impromptu site visits, to ensure that access is properly available? Will we be able to see a report of what was found during the development? What level of public visiting does English Heritage envisage in the future?

There are significant question marks over the role of English Heritage in the whole saga. Supposedly, its role is regularly to monitor scheduled monuments such as Halesowen abbey and to ensure that they are conserved or enhanced if conservation work is undertaken. However, I would question the ability of English Heritage properly and regularly to monitor the sites put into its care and its efforts to act upon any unauthorised material changes to historical sites such as Halesowen abbey.

At this point, Mr Rosindell, I should make you aware that Stonehenge has the same statutory protection as Halesowen abbey. Therefore, the role of English Heritage at Halesowen abbey, upon which I will expand, has potential implications for the heritage of ancient sites across the UK.

English Heritage has had unrivalled access to Halesowen abbey, through its statutory rights under law. In spite of that, it took a third party, the Halesowen Abbey Trust, to notice and report unauthorised works by the current owner. Indeed, the trust noticed that the works were of

"sufficient magnitude for them to be clearly visible from a considerable distance outside of the scheduled area, with the naked eye".

The Halesowen Abbey Trust also helpfully informed me that English Heritage offices are based in Colmore row, Birmingham, which is just a 20-minute bus journey away from the site in Halesowen. Such material facts call into question the ability of English Heritage, in its current guise, effectively to operate and protect our national heritage, and illustrate an apparent lack of commitment and will to protect this particular site.

When the first instance of unauthorised work at the site occurred in 1996, English Heritage and the local council chose not to use the legal and practical means at

[James Morris]

their disposal to seek any meaningful move to restoring the site to its state before the unauthorised work. The local authority decision was made in a particular context, which involved an attempt to take the site forward in co-operation with the new owners. At the time, a number of assurances were made in good faith that there would be no repetition of such unauthorised works. As the Minister will understand, the Halesowen Abbey Trust was somewhat surprised in 2005 when English Heritage took the same position on further unauthorised work.

As far back as 1996, English Heritage wrote to the local press explaining that it had been unable to uphold its statutory functions because it lacked the necessary resources. If English Heritage is saying now that it has neither sufficient resources to protect our heritage from unauthorised works, nor the will to take appropriate action against those undertaking such works, there are some serious questions about its role and validity in this case. Although English Heritage survived the recent review of quangos by the Minister for the Cabinet Office and Paymaster General, there is an argument for saying that that might, in some respects, have been slightly fortuitous.

English Heritage has made a number of decisions about the abbey that could be construed, at best, as very surprising and, at worst, as bizarre and lacking any credibility, and I want to give one illustration. The current owner built an unauthorised 2.3 metre high wall on the site, citing the need for a flood barrier. When the retrospective planning application was put before English Heritage and the Environment Agency in October 2002, it was noted that the constructed wall would

"not provide any flood defence to the buildings",

and both bodies advised that the planning application should be refused. Yet just months later, in August 2003, both organisations decided to approve a retrospective planning application on the basis that the wall would be reduced from 2.3 to 1.5 metres. That change would not of course make any material difference to the flooding issue that was originally cited. However, the creation of the wall leaves the monument and its setting damaged in perpetuity.

Halesowen abbey is not the only heritage site that is being poorly maintained in my constituency. The Ice house, which was built in the late 18th century and which is located in close proximity to Halesowen abbey, was given grade II listed building status last year. However, it has been vandalised on a number of occasions, and little has been done to protect and maintain it. Although Halesowen has a long history of heritage, there are few sites, and residents in Halesowen and the surrounding area are rightly concerned and angry about the deterioration of a number of them and want action to be taken. Constituents have written to me, and others have spoken to me directly, to express their unhappiness. I am therefore grateful that the Minister is here to address some of my points, and I have some specific questions for him.

What ability and competence does English Heritage have in terms of upholding laws and regulations relating to ancient and historical monuments such as Halesowen abbey and surrounding sites? Would a significant change to an historic site, such as the conversion of nearby outbuildings to residential use, represent a material deterioration, conservation or an enhancement to such a site? Would the Minister support a decision by English Heritage not to take action against the owner of an historic site for breaking the law on the basis that it wanted to avoid upsetting the owner? Will the Minister consider introducing an independent review of the current legislation on, and role of, regulatory bodies in respect of heritage sites of national significance?

The people of Halesowen want the proper preservation and enhancement of their sites of historical interest. They are concerned by the ongoing deterioration of such sites and by the apparent lack of will on the part of public agencies to preserve them. I look forward to hearing from my hon. Friend, and I thank him once again for being here to engage in this important debate.

12.44 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): Let me echo the comments of my hon. Friend the Member for Halesowen and Rowley Regis (James Morris) by saying that this is my first opportunity to serve under you on one of these occasions, Mr Rosindell, and I am sure that it will be a pleasure. I saw you running the previous debate with military efficiency, so I am sure that we will make good progress in this one, too.

I congratulate my hon. Friend on gaining this debate and on setting out his case so clearly. He has made it clear to everybody here that Halesowen has elected a doughty champion for local people, who is willing to fight for local issues and to take them right the way to debates in the Houses of Parliament, when necessary. Heritage is not everybody's cup of tea, but my hon. Friend has shown that he is willing to engage with issues right across the breadth of political discourse, and I congratulate him.

I will endeavour to respond to my hon. Friend's points one by one in order, because he asked some quite specific questions. Before I begin that detailed response, however, I should say that if my hon. Friend hears anything in my response that, on further reflection and after discussion with local constituents, he wants to come back to me on, I am of course at his disposal. He can write to me, or we can have a conversation, if there are any points to follow up after the debate.

It might be helpful if I give a small amount of background about the site. My hon. Friend rightly said that it is quite a complicated site. On frequent occasions, it has been quite messy, and all sorts of different layers of usage have built up during its long history. Most recently, it has been quite a hard-working agricultural area, so the site has been used as a farmyard and a working area for quite some time. He is therefore right that the site has been messy, but he will understand that although everyone would obviously like all parts of the country to be beautiful, gorgeous and well maintained, the important issue from the point of view of English Heritage and the Government is whether the heritage has been damaged for future generations and whether the public has access, albeit messy access. Those are the crucial points that he is driving at, and I shall try to confine my remarks to the thrust of his questions.

My hon. Friend asked some quite specific questions about the controls that English Heritage may or may not exercise with regard to the development process. As he said, the local authority, in its planning authority

role, gave permission just yesterday for the proposed developments to go ahead. He is absolutely right that English Heritage will expect to maintain quite close scrutiny of the development process for a monument of this importance and seniority to make sure that it is not harmed and that the development goes as planned and does not depart from the original plans.

Where such developments take place, the requirements are very specific to each individual site, so I shall ask English Heritage to write my hon. Friend a letter detailing precisely how it plans to engage with the development process in this case. If I describe generalities, that might not necessarily do the trick for this specific site, which will have its own idiosyncrasies. However, if I ask English Heritage to write to my hon. Friend to lay out precisely how it plans to engage with this process, he will have something in black and white, and he will be able to check whether it is being done. Equally, constituents and the Halesowen Abbey Trust will know what to expect from English Heritage, so that they can make sure that the development process is being conducted sympathetically and in a controlled fashion. I am sure that my hon. Friend, his constituents and I would all agree that that will be essential over the coming weeks and months as the development process moves forward.

My hon. Friend asked whether the Government believe that a significant change to an historic site, such as the conversion of nearby outbuildings for residential use, represented a material deterioration, conservation or an enhancement to the site in question. That is a tremendously important question generally and in the specific case of this site. It is undoubtedly true that any change or development can constitute a risk to a site of heritage importance. However, it is also true that sympathetic development, when done correctly, can be the saving of an awful lot of such sites. In general, English Heritage, other heritage bodies up and down the country and the Department for Culture, Media and Sport have found that it is far better to have a sympathetic site owner or manager, and a site that is in continuous use with a sustainable use going forward. That is simply because it then has a continuing purpose and is likely to be invested in as necessary, to ensure that the new and historical structures are well maintained.

James Morris: I totally understand the point that my hon. Friend makes, but in this case there has been a lot of evidence over a long time of a lack of confidence on the part of the local community and, in particular, the Halesowen Abbey Trust, in the will to make the necessary changes and ensure that, where there is controlled development, it is done in a way that is suitable for the site and preserves its potential archaeological interest.

John Penrose: I thank my hon. Friend for that intervention. As I understand it, the plans that have just been approved were originally developed a couple of years ago, starting in 2008, in full consultation with English Heritage. It had extensive input into those plans and has indicated that it is comfortable with how the plans will treat the monument and the listed remains.

Of course, the question is not just whether the plans are sympathetically drawn up, and whether the intention is to use sensible materials that will frame the heritage parts of the site in an impressive and academically acceptable way, but whether those plans will genuinely be delivered, as the development process goes through. I take my hon. Friend's point on that.

I shall come on to answer some of his questions about developments to the site that were made without planning permission and that needed retrospective planning permission. I hope that my answer to my hon. Friend's question about controls over the development process and how English Heritage is planning to engage with those—and the fact that I am going to ask English Heritage to write to him with a list of how it is going to do that—will help to address both his concerns and those of local people. In the unlikely event that English Heritage does not live up to what it plans to do on that site during the development process, I am sure that he and the trust will be on its case and will contact me as necessary to ensure that there is no slippage or backsliding.

To pick up on the final point I was making in answer to the last question, it is better to have a living building that is being used in a sustainable fashion, provided that that is done sympathetically to the heritage asset concerned, than something that is unused and not cared for, that does not attract investment, and that is therefore unlikely to be maintained. That is something that we find across the country.

Last week I was lucky enough to visit some of the new developments taking place by King's Cross station in north London, where a number of listed buildings are being incorporated into some stunning modern architecture. There is a wonderful juxtaposition of old and new; it is being done very carefully with a great deal of respect for the heritage assets. The future of those heritage assets will be hugely improved as a result of being brought back into use in a modern way. I hope that is a clear answer to my hon. Friend's original question.

My hon. Friend asked whether the Government would support a decision by English Heritage not to prosecute the owner of an historic site for breaking the law, on the basis that it wanted to avoid upsetting the owner. He mentioned the case of the flood wall, but I understand that there have been other, smaller cases, too. I understand that English Heritage did consider prosecution and took the case to the Crown Prosecution Service, which indicated it would not be prepared to take forward the prosecution of Mr Tudor for the unauthorised works. That is not to say that it is never right to prosecute. In fact, English Heritage has prosecuted in the past, though not frequently because the cost is very high and, technically, achieving a positive result in court in these cases is hard. However, it has happened, and successfully. I do not think that there is any theoretical or practical obstacle to doing so, but it happens rarely.

Given that the CPS said it was reluctant to take the case forward because it felt that there was a low probability of success, I think English Heritage's approach of saying that it needed to work constructively with the owner was probably the best opportunity in that specific option. That does not mean that it should not come down hard on examples of bad behaviour. On occasions, it is necessary, as the French said of the English Navy, to hang an admiral pour encourager les autres. It is important to make it clear that there is a line in the sand beyond which people should not go. The principle is clear and is as my hon. Friend describes.

My hon. Friend's final question was whether we should introduce an independent review to check on the ability of English Heritage to uphold laws and regulations. I think that English Heritage is held in pretty high

[John Penrose]

regard across the wider heritage community, if I can put it that way, although obviously no organisation is perfect. A lot of people, including within English Heritage, would say that they wanted it to improve in a number of ways. However, English Heritage, among others, also agrees that in the wake of the comprehensive spending review, like any other part of the public sector, it has to do more with less. At the moment it is busy re-organising in order to become more efficient and is cutting its cloth to fit, in the same way that everybody else has to. It is not pleasant or fun, but it has to make do, and is doing so professionally.

It is clear that, once the dust has settled, English Heritage will have to look at some of its current processes—for example, the listings process—to work out how to perform those statutory tasks in a way that is more efficient, faster and cheaper, while at the same time ensuring that it provides the important protection of heritage assets that my hon. Friend and I have been debating.

James Morris: Again, I understand the point that my hon. Friend makes. Will he emphasise to English Heritage the importance of sites in areas such as Halesowen? If one mentions Halesowen heritage outside of Halesowen, people do not realise the rich tapestry of culture and heritage that there is there and in other areas of the black country. English Heritage should prioritise and give thought to the importance of monuments in places that are not typically thought of as traditional areas of English heritage.

John Penrose: I am happy to do so. My hon. Friend has touched on an important point, because heritage assets are wrongly viewed as a crumbling piece of an awkward obstacle to development. In most communities, they are rightly seen as huge assets from which the community can benefit. They make each community distinct and different, and keep us in touch with our local past. In many cases they are great sources of tourism income, too. I agree completely that there are a lot of opportunities there.

To conclude, English Heritage knows that it has to react to the recent comprehensive spending review by becoming more efficient, in the same way as many other bodies in the public sector. It is starting that remodelling, and I expect it to go a great deal further over the next months. I hope it will do so in a way that will please my hon. Friend. In the meantime, I will ask it to write to him with the details of how it proposes to protect this site.

Andrew Rosindell (in the Chair): Order. The sitting is suspended until 1 o'clock.

12.58 pm

Sitting suspended.

Education Policies (Warrington North)

1 pm

Helen Jones (Warrington North) (Lab): It is a great pleasure, Mr Rosindell, to serve under your chairmanship. It is a pleasure, also, to see the Minister in his place; he and I used to serve on the Select Committee for Education and I know that he has a genuine interest in education. I hope that he will take seriously what I am about to say.

I welcome the opportunity to discuss the impact that the Government's education policies are having, and will continue to have, on my constituency. In truth, however, the Government's decisions and their cuts to the education budget will seriously hamper the life chances of many young people in my constituency, especially the poorest.

The borough of Warrington does not rank high in the indices of deprivation. It contains some affluent areas, but it also contains areas of multiple deprivation. Many of the poorest wards in the borough are in my constituency—indeed, they are among the most deprived in Cheshire—and it is those areas that are now being hit.

The cuts began with the Government's decision to cancel the Building Schools for the Future project. As a result, two schools in my constituency—William Beamont high school and Lysander high school—saw their hopes of new buildings disappear rapidly over the horizon.

We opened one new school in my constituency under the BSF project. It was Culcheth high school, and I went to the opening in the autumn. It is a fantastic building, and it will enhance the opportunity for teaching and learning in the area, as well as providing more facilities for the community. It is so good that Warrington's cabinet executive member for education, Councillor Sheila Woodyatt, called it the best thing to happen to Culcheth in 100 years—and she is a Conservative. It is sad that some of the more deprived areas in my constituency will not have the same opportunities.

The BSF project was cancelled without properly assessing the need to rebuild in certain areas. Indeed, I asked the Department what assessment it had made of the need for rebuilding at a number of schools in my constituency, but it took a long time to answer. I asked the question in July; I received the answer on 26 October. The answer made it clear that no real assessment of need had been made before cancellation, yet BSF would have given us £80 million to rebuild Warrington's schools. That sum would have enabled the rebuilding of William Beamont high school and modernised Lysander high school. Those schools serve some of the most deprived areas in the borough. They serve wards where many have low incomes, and where an increasing number of people are unemployed. Above all, they serve areas where many have no qualifications, yet those schools have done a fantastic job in increasing aspiration and improving educational outcomes.

William Beamont is a specialist sports college with a second specialism in IT. Lysander high school is another specialist school. William Beamont has increased the number of children getting five good GCSEs; it has cut its exclusion rate, and it has increased attendance. Lysander school has exceeded its targets for improving its GCSE results, and it has also exceeded the council's targets.

They did all those things in old and unsuitable buildings. I ask the Minister to imagine what could be done if they had decent, up-to-date facilities.

Facilities matter. Conservative members of Warrington borough council know that they matter. When the BSF project was announced, Councillor Woodyatt told the *Warrington Guardian* that she welcomed the difference that it would make not only to teachers and pupils but to the community. Her allies, the Liberal Democrats—Warrington, too, has a Conservative-Liberal coalition—trumpeted about the BSF money in their newsletter, saying that

"substantial sums of money have been secured to modernise our schools".

They did not say then that it was not necessary, and they did not foresee any problems. They were glad of it. Now, however, those schools will have to bid again for money from a much-reduced capital spending pot.

The Government's criteria in the Treasury's Green Book for allocating that money are clear; they are population growth and modernisation. Deprivation is not mentioned anywhere. We know that population growth will lead to a bulge in primary school pupil numbers, which will necessitate the spending of more money. The Government also want to spend money on free schools and academies, thus depleting the pot even more. The Warrington schools will be bidding for money from a reduced pot, but experience shows that many of those that have already been given the go-ahead are receiving only 40% of what they expected. That is a huge slap in the face for the poorer communities in Warrington.

David Mowat (Warrington South) (Con): Will the hon. Lady give way?

Helen Jones: I am sorry, but I have limited time and the hon. Gentleman did not seek my permission to participate in the debate.

The BSF cuts are not the only problem faced by Warrington schools. As I said, those two schools are specialist schools, yet specialist funding has been stopped. William Beamont is part of the school sports partnership, which hugely increased the number of young people taking part in sport in Warrington. That funding, too, is to be axed.

As for the overall settlement, we foresee further problems. The Government are keen to tell us that they are to increase spending on schools by 0.1% each year. However, that takes no account of the fact that the pupil premium, which we were told would be extra, is included in that settlement. It is not extra money. It also fails to recognise that the growth in pupil numbers will mean a reduction in spending per pupil over the next four years.

Those schools will be left in unsuitable buildings, with a decreasing amount of money per pupil. They will also have to suffer the problems caused by council cuts. Services that they used to receive from local councils are gradually being reduced, and they will have to purchase them elsewhere. I give one example; the council is already considering withdrawing IT support for schools. That would give rise to further problems.

I turn to the Government's decision on the education maintenance allowance. Almost 2,000 young people in Warrington receive the EMA. That money has made a real difference to participation rates in education; £10, £20 or £30 may not seem much to some, but it allows the poorer families in my constituency to pay bus fares to college, gives young people money to buy lunch and is has helped some to buy stationery and other things that they need for their courses. Those are all things that the poorer families find difficult to purchase.

Reducing that allowance will make a real difference to participation rates in education, because the money has worked during the past few years; it has increased the number of students staying on and the number of students in my constituency who go into higher education. The number of students in my constituency going into higher education rose by more than half in the 10 years from 1999 to 2009.

It seems that we will get in return a fund that will be used by head teachers and principals. I have tried asking the Government what the criteria will be for the allocation of that money and I cannot find out. In the last Education questions, I asked whether head teachers had been consulted about this change and the Minister for Further Education, Skills and Lifelong Learning was terribly courteous, but he just did not answer my question. He also did not tell me whether there would be an appeals process. So we do not know how that money will be allocated and it seems that we are moving from a system in which people receive money according to their income—as of right—to a type of "Lady Bountiful" system, in which money will be dished out by head teachers. Actually, I doubt that many head teachers want to do that.

What we do know is that the Government will be saving more than £500 million on the EMA, but they will be allocating only £150 million to the new scheme. That means a huge reduction in the cash available to the poorest students. Although the Government tell us that they want to increase participation and staying-on rates, they will the ends without willing the means.

At Warrington Collegiate in my constituency, 61% of students aged between 16 and 18 are in receipt of EMA and a third of the intake is from areas of multiple deprivation. Warrington Collegiate strongly fears that removing EMA will mean fewer students coming through the college.

Warrington Collegiate also faces another cut in its budget. It is clear from the comprehensive spending review that the unit costs for 16 to 19-year-olds will be reduced. Warrington Collegiate does not yet know how that reduction will feed through into its budget. It expects a cut of at least 3%. May I repeat that those 16 to 19-year-olds are the very people whom the Government say they want to keep in education?

To add insult to injury, the university of Chester, which has a large campus in Warrington, has seen 88.5% of its teaching funding go. That is all the teaching funding for group C and group D courses, and probably half the funding for group B courses. The university estimates that to fill that gap it will have to charge fees of £7,000. The university is vital to Warrington and its economic development and to the development of the Omega site, which is a huge employment creation site in my constituency. The university of Chester has done tremendous work with schools to increase aspirations and to get more young people from families where no one has been to university before to enter higher education.

[Helen Jones]

The results of this decision to cut funding could be very serious indeed for the courses that are provided at the Warrington campus such as courses in creative industries, business, media and sport. It is fashionable to sniff at those courses, but the Minister knows as well as I do that most of the graduates from those courses actually get jobs. It will be a very serious matter for young people in my constituency if they can no longer gain access to that facility.

In effect, what we are seeing is a triple whammy. I have no time today to go into the axing of the programmes for rebuilding special schools in my constituency, or what will happen with the reduction in school support staff, or the further reductions in council services. However, we have seen the building programme cut, we are seeing funding cut and we are seeing support for students cut. The impact of those cuts on the poorest wards and the poorest families in my constituency cannot be overestimated. The Government tell us that we are all "in this together", but these are the very people who do not have the resources to replace that funding.

I say to the Minister that that is wrong on two counts. First, it is wrong economically. We all know that in the future unskilled jobs will start to disappear, and that the future of this country is in producing a skilled and educated population. We cannot underbid other countries in wages all the time; we have to gain on skills. Without education provision, however, our skills will not improve.

Secondly, it is wrong morally. "Morally" is not a word that we often use in Parliament, but I believe that these cuts are wrong morally. It is morally wrong to penalise our poorest communities and our poorest families in this way.

I know that the Minister is a decent man and that he has a real concern for underprivileged students in education. I hope that he will listen to the case that I—along with many others in their own communities—am making, because if we do not get changes in this policy what will happen is very simple. Fewer of our young people will stay on in education; fewer will go into higher education, and this country will suffer for many years ahead as a result. Young people are our most precious resource. We ought to be caring for and husbanding that resource, rather than chopping it off.

There used to be a slogan among the teaching unions—I think that it was used at the time of the last Tory Government—that, "If you think education's expensive, try ignorance". I think that we are in danger of trying ignorance. The people in my constituency whom I have talked about today will suffer hugely as a result, and I hope that the Minister will give the facts that I have outlined serious consideration.

1.16 pm

The Minister of State, Department for Education (Mr Nick Gibb): It is a pleasure to serve under your chairmanship, Mr Rosindell.

I congratulate the hon. Member for Warrington North (Helen Jones) on securing the debate. I know that she has been a tremendous champion of education, not only in Warrington but nationally, having served for many years on the Select Committee on Education. As she kindly said, for some of those years we served on the Committee together. I always enjoyed working with her on the various reports that the Committee produced and I have listened very carefully to her comments today.

In Warrington, the attainment of children and young people across each key stage is consistently above, or well above, the national average. For example, the proportion of 16-year-olds in Warrington achieving five or more GCSEs at grades A* to C was 10% higher than the national level or the level in similar local authority areas.

Helen Jones: I am sorry to interrupt the Minister before he gets into his stride—he is very generous in giving way. However, does he accept that those figures mask huge disparities within the borough and that, although schools in deprived areas have taken tremendous strides, there is still a disparity between the more affluent areas and the poorer areas?

Mr Gibb: Yes—I was coming on to that point. I was not citing those figures as a reason not to take action; I merely wanted to point out what has been achieved in Warrington already.

In 2009, the proportion of 11-year-olds in Warrington achieving expected levels of attainment in both English and maths was 77%, compared to 72% in all schools in England. However, as the hon. Lady intimated, within Warrington, as in many other areas of the country, performance varies significantly from school to school. There are excellent schools in Warrington, as there are many excellent schools nationally, but it is also the case that too many schools are still struggling or coasting. The results at national level and the large gaps in performance between different groups of pupils are why we believe urgent reform is needed.

It is the Government's ambition to raise academic standards in all this country's schools to ensure a high-quality education for all children, particularly those from poorer backgrounds. The Government's key objective is to close that attainment gap between those from the wealthiest backgrounds and those from the poorest backgrounds. We therefore share the hon. Lady's aim that she set out in her remarks. Education is key to social mobility—indeed, in my opinion it is the only route to social mobility. That is why we announced yesterday our focus on ensuring that every child has mastered the basic skill of decoding and reading words by the end of the second year of primary school, through a light-touch screening check.

That is why we also sought to put onto the statute book the Academies Act 2010, to enable us to expand the academies programme, with 144 new academies having opened since the start of the academic year. That Act for the first time enables primary and special schools to become academies and to enjoy the greater freedoms that academy status brings.

David Mowat: I am interested in what the Minister is saying about social mobility. Does he recognise that in the past decade, we as a nation have slipped from fourth to 14th in science teaching and from eighth to 24th in mathematics teaching? The impact of that will have been felt in Warrington. Those statistics are a damning indictment of our ability to be socially mobile. Science, technology, engineering and maths, more than anything else, will provide jobs and skills for the future.

Mr Gibb: My hon. Friend makes a good point. I know that he has been campaigning in Warrington for his schools, and I congratulate him on his work, as I congratulate the hon. Lady on hers. On his point, that is why we are considering the national curriculum with the intention of restoring it to its intended purpose of providing a minimum core entitlement built around subject discipline. It is also why we are enabling parents, teachers and other education providers to set up free schools, so parents have a real choice for their children.

Good school buildings, though, are part of that package. School buildings need continuing investment, but it is vital that future spending represents the best possible value for money. Building Schools for the Future was an important programme of the previous Administration, which aimed to rebuild or refurbish every one of our 3,500 secondary schools by 2023. That was a bold and impressive ambition, but unfortunately the programme has failed spectacularly to live up to the hype. During five years of the programme, just 263 schools have benefited. The number of schools completely rebuilt under the programme is even smaller: just 136. That is a very small number for such a grand ambition.

Where BSF has delivered, it has been at exorbitant cost. As has been pointed out, rebuilding a school under BSF has turned out to be three times more expensive than constructing a commercial building and twice as expensive as building a school in Ireland, while the BSF budget has grown from £45 billion to £55 billion and the time scale has increased from 10 years to a projected 18. Some of the reasons for the additional cost and delay are understandable, but the fact remains that BSF had become a vast and confusing morass of process and cost by the time it was ended, and it represented extremely poor value for money. Some £60 million of the £250 million spent on BSF was frittered away on consultants and advisory costs before a brick had even been laid.

David Mowat: The Minister might be aware that the average cost of bidding for a BSF project was about £1 million, which is approximately the cost of a new primary school. Does that not say all that there is to be said about the waste implicit in the programme? Everybody wants more and better schools. Two schools in my constituency, Sir Thomas Boteler and Penketh high schools, desperately need refurbishment, but that must be done cost-effectively, not while frittering away money as BSF did.

Mr Gibb: That is where we want the money to go: not on consultants, but on refurbishment and bricks.

Nobody comes into politics to cut funding, least of all a new Government who have inherited a school system that we are worried lets down too many of its pupils. However, we are faced with a £156 billion budget deficit, and it is our responsibility—difficult and painful though it might be—to tackle that problem. Although we have announced the end of the BSF programme, that does not mean the end of capital spending on schools.

The hon. Lady will be aware that my hon. Friend the Member for Warrington South (David Mowat) has organised a meeting with my noble Friend Lord Hill at the Department for Education to make the case for Warrington schools. Also present will be the leader of the council and the head teachers of several schools that have been affected. I know that she is to attend that meeting as well, to represent the schools in her constituency.

In determining which projects would go ahead and which would cease, the Government developed a single set of criteria and applied it nationally. The three types of school project allowed to continue were: those projects that were part of their area's initial BSF schemes and had reached financial close; the so-called sample projects that were part of their area's initial BSF schemes, where financial close had not been reached but a preferred bidder had been appointed at close of dialogue; and some planned school projects in addition to a local authority's initial scheme.

As the hon. Lady will know, Warrington formally entered the BSF programme in February 2010. As Warrington did not have any sample schemes or an outline business case approved before 1 January 2010, the Warrington scheme was stopped. I recognise that those areas close to the cut-off point for BSF, including the hon. Lady's constituency, might find that extremely frustrating and upsetting, and I am acutely aware that stopping the BSF programmes for schools in her constituency has, understandably, caused dismay among students, teachers and parents. However, it is important to remember that the end of BSF does not mean the end of capital spending on schools. Money will still be spent on school buildings, but it is imperative, as my hon. Friend pointed out, that that money is spent on school infrastructure and buildings, not on the process, especially if we are to meet increasing demand for school places over the coming years as the birth rate rises.

To correct the hon. Lady, cash per pupil is per-pupil cash. Funding for schools will be maintained at the same amount of cash per pupil, so schools' expanding pupil population will not affect it. On top of that, the pupil premium will come from outside the schools budget, meaning that over four years, spending on schools will rise in real terms.

Helen Jones: Will the Minister confirm that the pupil premium is included in the 0.1% increase and is not extra money? That is what the figures say that I have seen.

Mr Gibb: Yes. The £2.5 billion is what enables us to deliver real-terms increases across the schools budget.

We appointed a review to consider how capital spending will be allocated in future. The hon. Lady discussed the Green Book allocation process; we will be considering the new basis on which scarce resources will be allocated. We appointed Sebastian James to conduct a root-and-branch review of all capital investment in schools, sixth-form colleges and other services for which the Department is responsible. The review is due to report back at the end of December. It will consider how best to meet parental demand, make design and procurement cost-effective and efficient, and overhaul the allocation and targeting of capital. That will give us the means to ensure that future decisions on capital spending are based on actual need and that all schools provide an environment that supports high-quality education.

Given the fact that the review is still in progress, I am sure that the hon. Lady and my hon. Friend will understand that I cannot make any specific commitments today on

[Mr Gibb]

how much money will be allocated or exactly when. However, I assure them that the Department will continue to make capital allocations on the basis of need, in particular on dilapidation and deprivation, and that the end of BSF does not therefore mean the end of school building.

David Mowat: Does the Minister agree that this week's announcement by Councillor Woodyatt, who has been mentioned extensively in this debate, of a new primary school in Warrington North, Oakwood avenue, is an example of the fact that capital spending is continuing? Not everything has been stopped by the hiatus in BSF.

Mr Gibb: Again, my hon. Friend makes a worthwhile intervention, for which I am grateful. Capital spending is being conducted, and several hundred schools are continuing work under the BSF programme.

The hon. Lady spoke about the education maintenance allowance. I acknowledge that evidence from the pilots shows that the EMA was successful, in its early days, in encouraging young people to stay in education. The decision to end the scheme will be disappointing to many young people, but I do not believe that anyone will have to drop out of education as a consequence. Already, 96% of 16-year-olds and 94% of 17-year-olds participate in education, employment or training. Attitudes to staying in education post-16 have changed. We are committed to going further still and attaining full participation by all young people up to the age of 18 by 2015.

However, a payment designed as an incentive to stay on is no longer the right way to ensure that those facing real financial barriers to continuing their education get the support that they need. We must reconsider the most effective way to support the most vulnerable young people to stay on in education. There is evidence that the EMA has helped a small number of young people stay on, but the same evidence suggests that the scheme has a significant dead-weight cost. Pilot evidence throughout the scheme and more recent research from the National Foundation for Educational Research found that almost 90% of young people receiving the EMA believe that they still would have participated in their courses if they had not received it.

The EMA is a hugely expensive programme, costing more than £560 million a year, £36 million of which is administration. Of course we do not want any young person to drop out of education due to financial difficulty, but we cannot justify continuing to fund a programme so expensive and poorly targeted. Currently, a discretionary learner support fund gives £25 million a year to schools, colleges and training providers to enable payments to be made to young people to help them meet the cost of their education. Colleges value the fund and are happy to play Lady Bountiful, as the hon. Lady said, by handing out the money to the young people whom they consider to be most in need. They can also respond to changes in students' household income during the year. After the EMA is abolished, the fund will be increased significantly over the spending review period. The detail of future arrangements is still being considered.

Dartford Crossing (Congestion)

1.30 pm

Gareth Johnson (Dartford) (Con): I am pleased to open the debate and to have secured a discussion on the biggest local issue facing Dartford. As the time allowed for the debate is short, I will try to cover as many points as I can and, with your leave, Mr Rosindell, I will take interventions, about which I have spoken to the Minister. Of course, I will also leave time for the Minister to respond.

Hon. Members will know that the Dartford crossing is probably the most congested part of the country's motorway network. Tailbacks regularly stretch for miles on both the Kent and Essex sides of the crossing and cause delay and misery for motorists. The crossing is a scar on the face of Dartford. When a problem exists by the crossing, local roads in Dartford also become congested with motorists trying to find alternative routes. The crossing should open up Dartford and encourage businesses to base themselves in the area; instead, it holds it back and strangles commerce. A continuation of the status quo is not an option for the Dartford crossing.

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate my hon. Friend not only on securing the debate, but on the passionate way he has fought for the issue with different agencies over the years. I applaud his commitment to that. He mentioned Dartford being affected by the crossing, but does he also agree that it affects constituencies around Dartford in terms of businesses, people travelling and holiday makers? It is absolutely vital for the whole of the south-east that we get this right.

Gareth Johnson: I am grateful to my hon. Friend for his comments. I totally agree with him. The issue affects the whole of the Thames Gateway area—not least Gillingham and Rainham, which are particularly pertinent to him. It is essential that we tackle congestion on the Dartford crossing in order to open up the whole area and allow business to flourish across the Thames Gateway network.

I am pleased that the Minister shares my view that a continuation of the status quo is not an option for the Dartford crossing. Although we may disagree on some issues regarding the crossing, I pay tribute to his work on tackling the problem. His positive, can-do attitude to dealing with the problem has led to more progress on the issue during the six months he has been the relevant Minister than in the whole of the last 13 years. His determination to remove the toll booths, which ultimately cause the congestion, is to be welcomed. I have noticed that each time a difficulty with removing the toll booths has been presented to him, he has not simply thrown the papers away and given up on the notion of removing the booths; instead, he has sought to find a solution that tackles that problem.

I want to make it clear that the tolls on the Dartford crossing should be scrapped in their entirety. That is what was promised to the residents of Dartford by the previous Government. We were told that the tolls would be scrapped when the bridge had been paid for. That happened in 2003, yet the tolls remain. Today, I call on the Minister to scrap the tolls completely.

Mr David Evennett (Bexleyheath and Crayford) (Con): I congratulate my hon. Friend on securing this important debate. He and the Minister will be well aware that I am also in favour of scrapping the tolls on the crossing. There has been a betrayal of what we were initially told about the bridge being free when it has paid for itself. However, I appreciate that we are currently in a tough financial and economic situation. Congestion is a real issue in my borough of Bexley and for my constituents of Bexleyheath and Crayford, as well for businesses and residents of other constituencies. I therefore endorse what my hon. Friend says. Does he agree that we should pursue more radical solutions with the Minister, such as removing the toll booths, and that we should also consider the more effective use of free-flow technology by promoting and developing the DART-Tag scheme further?

Gareth Johnson: I totally agree with my hon. Friend's comments. I am fully aware of the problems that Bexleyheath and Crayford suffer as a result of the congestion at the Dartford crossing. The No. 1 challenge is to remove the booths themselves, because they are the cause of congestion on the crossing. The tailbacks emanate from the booths and, without them, there would be a dramatic improvement in—and perhaps even the eradication of—the congestion on the Dartford crossing that causes problems in Bexleyheath, Crayford and, of course, Dartford, Thurrock and the surrounding areas.

Jackie Doyle-Price (Thurrock) (Con): My understanding is that by introducing free-flow technology, of course, there would be an increase in capacity on the crossing. However, that would give only a one-off increase of approximately 20%. In recent years, the volume of traffic using the crossing has increased exponentially. Does my hon. Friend agree that ultimately we need an additional crossing somewhere else on the Thames to enable traffic to be diverted from the M25 on to another crossing?

Gareth Johnson: I am grateful for that intervention. In principle, I accept that there should be a further crossing over the Thames. The big issue is, of course, where that crossing should be. It is a classic case of nimbyism. I do not think anyone here would hold their hand up and ask for a further crossing to be placed in their constituency. Doing so would add further congestion and difficulties to the particular areas that we represent. Finding a location for an extra crossing over the Thames area is problematic and will be the biggest challenge of all in trying to ensure that we have greater capacity for vehicles to get across the Thames.

We have recently had an announcement that the price of the tolls should be increased. I cannot accept that extra levy on the motorist, who is feeling fairly beleaguered in this particular part of the country. At the general election, I said that unlike my predecessor I would never vote to keep the tolls on the Dartford crossing and that I would only vote to scrap them. I meant that. The Transport Act 2000 was supported by Labour MPs and opposed by Conservative MPs. That piece of legislation allowed the tolls to continue and, ironically, changed them from a toll to a form of congestion charge. I say "ironically" because the tolls actually cause the congestion on the crossing. In this case, the congestion charge itself is responsible for causing the congestion.

I welcome the Department for Transport's confirmation that the previous Government's announcement of the privatisation of the crossing will not take place. We have overturned the previous Labour Government's policy of selling off the Dartford crossing. If the Labour party had won the last general election, the crossing would have been sold to a private company and we would have lost control over the levying of charges on the motorist. Perhaps that is why there are not too many Labour MPs in this Chamber championing this cause. The local resident discount scheme has financially helped some local residents who are frequent users of the crossing, but the initial outlay for the DART-Tag has put off local residents who use the crossing only occasionally.

Tracey Crouch (Chatham and Aylesford) (Con): My hon. Friend knows that I share his long-term desire for the removal of tolls on the Dartford crossing. However, he will also be aware of the enormous sense of unfairness felt by many people in north Kent, who do not qualify for the resident discount scheme. Does he not agree that if the tolls are to stay in the foreseeable future, the local discount scheme should be extended to neighbouring authorities, such as Medway?

Gareth Johnson: My hon. Friend has championed that cause for the residents of Chatham and Aylesford for a considerable time, and I pay tribute to the work that she put into the issue. I am pleased that she shares my view that, ultimately, the solution to the problem is the removal of the tolls.

I hope that there is some scope to expand the local persons discount scheme. I am pleased to note that, although the scheme has some limitations, it is likely to apply to the proposed increases in the tolls. The introduction of the scheme coincided with an increase in the toll from £1 to £1.50, which left many more motorists needing change. The highways authority has informed me that it has had to remove some of the automated toll booths to allow for that, which of course has increased the length of the queues and led to the dreadful congestion we see today. It is no advantage to a local person who receives a discount if they have to wait in a queue for three hours to get it.

Removing the booths and replacing them with modern technology to levy a charge on motorists would remove the two worst aspects of the crossing, the congestion and the pollution, but it would not remove the costs. Local businesses have told me that the congestion is the worst problem for them. They can budget for the cost of using the crossing, but they cannot budget for the unpredictable nature of the congestion.

Jackie Doyle-Price: I endorse that point on behalf of businesses in my constituency. The cost of congestion is really adding to the cost of doing business, and at a time when we want to see expansion in south Essex, that is unacceptable. We really need to grip that problem.

Gareth Johnson: Members will be aware that the area of Thurrock that is closest to the crossing is an industrial area, and the same is true in some parts of Dartford. We have the Crossways boulevard, which is as area of industrial strength, but it could be so much better were it not for the congestion. For the reasons to which my hon. Friend alluded and the potential benefit for businesses

[Gareth Johnson]

in Dartford, I believe that local businesses will welcome the Minister's proposals and the removal of the booths themselves, which should lead ultimately to the removal of the congestion.

The congestion at the Dartford crossing has united Dartford against the current toll booths system. Local people despise the impact that it has had on the area, as we have had nothing but misery, congestion and pollution as a result. The local media have played their part in lobbying for the congestion to be tackled. The *Dartford Times* has had a "Stop the Toll" campaign, the *Dartford Messenger* has had the "Axe the Tax" campaign, and the *News Shopper* has also campaigned hard on the matter. They are all correct to do so, because I believe that the only complete solution to the enormous problem is for the tolls to be scrapped entirely.

The Minister's proposals are a vast improvement on the current situation. They will ensure that there need be no more congestion at the Dartford crossing than anywhere else on the M25. The previous Government did absolutely nothing about the congestion at the Dartford crossing. We had 13 years of inaction. They introduced a local discount scheme, but although it lowered costs, it increased congestion. They announced a plan to sell off the whole crossing. It is yet another mess that we have inherited and that we are trying to resolve. It is a problem that has been ignored for the past 13 years, a problem with which I am pleased that we are now beginning to get to grips.

1.43 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): It is a pleasure and an honour to serve under your chairmanship for the first time, Mr Rosindell. What an ironic coincidence it is that you are chairing a debate on a matter that is so important in your constituency, a part of the world that I know well. I know that the correct protocol for Ministers, quite rightly, is to address the Chamber when speaking on behalf of the Government, but it will be quite difficult to do so as the Opposition Benches are completely empty. I apologise if I have to turn my back to Members who are present for this important debate. I congratulate my hon. Friend the Member for Dartford (Gareth Johnson) on being so persistent about the matter, and on securing the debate. It is a shame that it is only a half-hour debate, as I know that colleagues on this side of the Chamber would have liked to spend more time debating the issues that are so relevant to their constituents.

In the short time I have been a Minister, I have encountered few issues that raise as much local and national concern as has the Thames crossing between Thurrock and Dartford. As a former fireman, I have on too many occasions attended incidents on the Essex side of the crossing where road traffic accidents—road traffic collisions, or whatever modern term we use today—have taken place because people were so frustrated that they took risks. I would ask the drivers and passengers what the cause of the accident was, and all too often they replied that it was anger, frustration and concern that they were being delayed in going about their business or doing their personal duties. Whether they were going north or south, they were usually delayed for one reason: the toll booths on the Kent side of the river.

I am determined, with the Secretary of State's permission, to do everything we can to alleviate that congestion and pollution. We have not had enough time to debate the pollution, but on both sides of the river it is blighting the lives of many constituents. Visitors to the country are also affected, as 20% of all heavy goods vehicles travelling north through both bores are foreign. The crossing is the lifeblood of the country's economy. It is invariably how traffic gets from the south to the north.

We have looked carefully at the situation in these difficult times. I fully respect the position of hon. Members who have campaigned over the years to have the previous Government's promise to remove the tolls honoured. However, we are in really difficult economic times, and the £70 million a year gross revenue that the tolls take in is an important part of the money available for the infrastructure and transport network for the whole country. I know that the matter is really personal for those in that part of the world, but it is a piece of national infrastructure, and the Transport Act 2000 specifically states that the net value of the tolls should be used in transport infrastructure. It is one of the few hypothecated sources of revenue that we have.

I will outline quickly what we have done in the short time we have been able to address a situation that has been going on for years. The first thing we asked was whether it is right in the 21st century to delay people, sometimes for hours, when we expect them to pay a fee to use a crossing. When the tolls are causing the problem and the resulting tailbacks become unacceptably long, we have been releasing the toll charge. In other words, we have lifted the barriers at those times and people are not being charged. There is currently no guidance on how long the tailbacks have to be before we do that, so we hope to have a protocol in place in the new year so that people will know exactly what that distance will be.

That is just an interim measure, because we all know that the way to address the congestion and pollution is to have free flow charging. For the foreseeable future we will have to impose a toll, so how do we minimise the effect on the user while recouping the income? Fantastically, the congestion charge uses vehicle number plate recognition, and it works well. We intend to use that technology to remove the barriers at the north and south of the crossing.

The toll booths are what is really holding up the traffic. As we heard earlier in the debate, the delays are actually being caused by people trying to find change, not realising that they have to pay, or losing their DART-Tag. If we remove the toll booths altogether so that people can drive across the bridge or through the bores, that delay will be removed. Although we are looking at whether we can enhance the number of vehicles that can use the bridge, and 20% seems to be the figure we are looking at, particularly for the bridge—I will come back to the bores in a moment—it is surely fair to the user, whether local or national, that there is free flow.

A considerable amount of construction work is required to realign the road so that there is a straight run, particularly when vehicles come off the bridge. Otherwise, at junction 1A, as those of us who are familiar with that part of the world know, they would be dog-legging to the right at that optimal speed of 50 mph, which will be the speed at which they will be allowed to come down. There will be a great deal of work and cost involved in

doing that, and a great deal of technology needs to be put in place as well. Some of that technology is already there. The average-speed cameras will be commissioned soon, and we intend to start commissioning beyond the bridge and back towards junction 2 as the public get used to the 50 mph speed that we want them to use to come across the bridge safely and go towards the bores.

The money will come specifically from the increase in the toll. I would love to have informed the House today that we do not need the 50p from 2011 and 2012, because, obviously, I do not like taxing the British public. However, we need that money, which will be hypothecated for the work we need to do and to pay not only for the non-charging, which we will implement as a short-term measure, but for the free-flow tolling and then—this was touched on by colleagues—to look at a business plan for a new lower Thames crossing.

We all know that the capacity and growth that this country needs will mean that we will struggle, particularly going north. Why will there be such a problem going north? It is because the two bores are not the same size. The inside bore is smaller, so we will struggle to keep a free flow going while oversize vehicles move into the outside lane to go through the larger bore. That is a big technical issue. We still intend to remove the barriers, but we will have to use the matrix signs to slow the traffic going north or halt it so that those vehicles can move across. That will always be a problem.

Secondly, where there is congestion—for example, on the M25 in the Essex section—we cannot legally allow traffic to sit in the tunnel for any length of time. It is not safe, and we have no intention of doing that. Therefore, as we look forward to developing different plans, we have to start to ask whether we will invest some of the money that we are recouping from the region—the net income at the moment is £45 million—in a business plan. As we develop the concept, we must ask, first, whether we should build a bridge or a tunnel, and, secondly, where it will go. Of course, there will be investment not just in the crossing but in the infrastructure on the Essex and Kent sides, which must be linked in.

That was brought home to me starkly when I visited some of my old stomping grounds in Essex recently and, as the Minister with responsibility for shipping, was taken on to the river by the Port of London Authority. I have a dual role when it comes to that part of the country. I spoke to business people who told me that they owned land on the Kent side but had no intention of using it because they could not guarantee that they would be able to get their vehicles across the bridge and back. That is stifling the economy and growth. I freely admit that not one of them has said to me, "We can't afford to do this; we think that the 50p is going to be a problem for us." I am sure that there are businesses that will be affected by it, but what they were looking at was the ability to have a business plan that worked. In other words, if they need to get from A to B, and that happens to be from the Kent coast up through the midlands, how can they plan for that when they know, for instance, that they will be queuing at peak times—and sometimes not at peak times?

Several colleagues have written to me in the past couple of days to ask why we did not suspend the toll charges when the winds were bad the other day. The reason was that it was not the barriers that were causing the problem; we had to close the bridge because of the wind. The bridge was not designed brilliantly well—hindsight is a wonderful thing—and does not have the kind of protection from winds exceeding 50 mph that we would expect from a modern bridge. That meant that use of the bridge had to be suspended, and we reverted to using the two bores in the two tunnels—that almost took me back to my youth. I accept that that caused a great deal of trouble. Was the problem caused by the infrastructure or by the tolling? It was caused by the infrastructure not being fit for purpose.

As we work together—I hope that we can—on this project in the next couple of months, I hope to be able to bring in colleagues from all parties who represent constituencies in and around the Dartford river crossing area. I always wonder why we call it the Dartford river crossing area when Thurrock is on the other side. We should call it the Thurrock-Dartford river crossing. I stood as a parliamentary candidate in Thurrock in 2001, and I know only too well that it could be a fantastic growth area if there were confidence in the bridge.

I understand that there may be disappointment that the tolls were not removed when the previous agreement was in place, but I have to stand here as the Minister and say what will be the best outcome for the country as a whole, and for the constituents of hon. Friends who are here today. There are two things that I can do: I can give them confidence in the future that, by removing the barriers so that traffic will have free flow, local people will be able to cross regularly, whether they are going to work or moving socially from north to south and south to north.

The other thing that I need to come back to is the effect on the environment when that free flow comes in. It is of paramount importance that we look after not only the economy of this country but our constituents. We know that the levels of pollution are unacceptably high—particularly when there are problems going north, and because of how close residential properties are to the roads—and are likely to increase. Even though we are driving down emissions, we know from the sheer number of HGVs that come through that we will have issues with that.

We can move as fast as we can for free flow to take place, but we must ensure that the technology works and that local residents have confidence in the local discount schemes. I hope you will not mind my saying this, Mr Rosindell: the take-up of the schemes was as high as we all expected. However, if there are complications—I know that local residents find the schemes complicated—perhaps hon. Members could drop me a line about their concerns.

We are spreading the scheme. My hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) was looking at that, and it has been put forward many times. The problem is where to stop. I fully understand that the people who live nearby get a discount and that others just down the road do not, but we have to draw the line somewhere.

Mr Evennett: Bexley residents are much closer to the bridge and the tunnel than many others, but they do not have a discount scheme. Will they be included in the Minister's thoughts?

Mike Penning: They are certainly included in my thoughts—my hon. Friend uses a good piece of terminology. I am more than willing to look at that, but if I take the discount away from some and give it to others, I will get just as many complaints from the other side. I have to look at the revenue. The key at present is not to have a cash cow but to use the money to make the environment better for my hon. Friend's constituents in the future.

I hope that this will not be the last debate on the subject. This is not a bid for being here every day, or on a regular basis, but I hope that colleagues will engage with my officials, my Department and me to get the best option. My hon. Friend the Member for Dartford said earlier that we may not agree on everything, but let us work together on those things we do agree on. Let us use this opportunity to develop the economy and the environment, and to make the area a much better place for everyone to live and work in.

Rehman Chishti: Will every avenue be followed to ensure full and thorough consultation with local authorities and residents in the areas that are proposed for any future Thames crossing?

Mike Penning: There will be full consultation on that, just as there will be consultation now on the toll increases. Of course consultation will take place, but we must ensure that whatever is built is fit for purpose not just for us today, but for future generations.

I congratulate my hon. Friend the Member for Dartford on securing this debate, and I hope we can work with other colleagues on this project.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 24 November 2010

[MR PETER BONE *in the Chair*]

Overseas Voluntary Sector

Motion made, and Question proposed, That the sitting be now adjourned.—*(Miss Chloe Smith.)*

9.30 am

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I thank you, Mr Bone, for taking the time to chair this debate. I welcome this Government's policy to increase overseas aid from 0.56 to 0.7% of gross national income—a step that was agreed in 1970, the year of my birth. By the time I am 45, we might have met our promise. Other Governments have failed. I wish this Government well in meeting their stated aim within the projected time scale.

Although I welcome the increase in the Department for International Development budget, I want to know what it will mean in respect of my experience in the sector. One windy, rainy day in the Outer Hebrides—we do have such days—I clicked on the DFID website, being at a loose end, and looked at pages on working with DFID, funding opportunities, not-for-profit organisations, and programme partnership agreements. Hon. and right hon. Members will have guessed that it was one of those wet and windy rainy days in the Outer Hebrides when the wind howled and the rain lashed; they are few and far between, but they do happen. I also looked at the part of the DFID site that invites applications for a new round of PPA funding. Finally, in frequently asked questions, under "Proposal and Logical Framework information", my eyes alighted on point 2, particularly the following sentence:

"Successful applicants cannot receive a PPA which is more than 40% of their annual income, averaged over the previous three years."

Having been asked by VSO to go on an overseas placement to Cambodia, I had to ask what that meant. At this point, I should mention the sad news from the festival in Cambodia over the past couple of days, where up to 350 to 400 people lost their lives in a crush. In Cambodia, I was aware of DFID funding coming through VSO and of the high esteem in which DFID is held overseas.

Therefore, my interest in this topic was driven not by the rain, but by the fact that I had been on a placement to Cambodia, as a Member of Parliament, for two or three weeks, and I felt a debt to VSO. Voluntary service overseas expanded my horizons most definitely and I felt duty bound to ask what DFID had on the horizon for VSO—that will probably also affect One World Action and Progressio.

At a time of budgetary concerns, I felt that my interest was a mere courtesy, the sort of courtesy that we Scots are famous for—he said, looking at his friends from Northern Ireland—especially as the DFID budget is to grow, according to page 60 of the comprehensive spending review, by 37% over the next three years. Although my comments will be mainly about VSO, as I have said, this matter affects other organisations.

Two years ago, when I spent time as an advocate in Cambodia, using my status as an MP to bring about change in education, I saw the work of VSO and was privileged to bring about, to a slight extent, a change in teachers' salaries, making them less prone to corruption and making exam results more believable, which is an important factor in an emerging economy if skills and professionalism are to be trusted. I saw the good work that VSO was doing. In its turn, VSO ensured that other MPs, not just me, saw what was happening outside the Westminster and western European bubbles.

Ever since its creation in 1958, with a grant of £9,000, VSO has blossomed into one of the foremost aid organisations in the world, aiding countries in training health workers and teachers, from Sri Lanka to Malawi and in 44 other countries, reaching 26 million people in those countries—not the total population, but the number of people that VSO reaches and touches through its programmes and partners.

David Simpson (Upper Bann) (DUP): I welcome you to the Chair, Mr Bone, and congratulate the hon. Gentleman on securing the debate. I will not even try to pronounce his constituency. We have difficulties enough in Northern Ireland with the English language, so it would be difficult to try to get that.

Does the hon. Gentleman agree that, for many years, one difficulty in respect of overseas aid has been that not all the moneys have gone to those most in need? Although we appreciate and welcome the increase in funding for the overseas voluntary sector, does he agree that it is essential that, during these economic times, money is targeted, because it can so easily be sidetracked to unscrupulous characters?

Mr MacNeil: The hon. Gentleman anticipates me. He raises the concerns of many. I hope to demonstrate that such fears can be allayed, so perhaps the Gentleman will bear with me. If I do not answer his concern, I would welcome another intervention.

Malcolm Bruce (Gordon) (LD): I congratulate the hon. Gentleman on securing this important debate. I apologise because I will not be able to stay to the end.

Does the hon. Gentleman agree that the partnership between DFID and VSO is hugely valuable and that millions of people benefit from it? It is not an unreasonable proposition for its funding to be limited to 40%, but it might be unreasonable for that to be done in too short a time. VSO recognises that, if it has to accommodate that within three years, its programme could be halved. Does he agree that the Government should be prepared to negotiate to ensure that VSO's services are not cut and that it gets the money, and that business, for example, should support this valuable work?

Mr MacNeil: Again, my remarks have been anticipated. I welcome the right hon. Gentleman's comments. It is important that money is spent properly and that, if changes are made, there is a managed transition, not a breakneck-speed shift overnight.

VSO has also helped in one of the most important government activities, without which there would no health care, no education and no spending. It has helped the Governments of Bangladesh and Sierra Leone specifically to collect taxes from their people. Perhaps

[Mr MacNeil]

Ministers' eyes will light up at this point—perhaps not—but that is a sign that people are getting round to trusting their Governments. Perhaps some hon. Members would like VSO to go into the City of London to ensure that every penny of tax is paid. But I digress. VSO's work in that regard shows that corruption abroad can be tackled, that the high-value components we take for granted in our civic lives can be established and that normal society can start to be built.

VSO specialises in capacity building. It takes nationals from various countries—mainly the United Kingdom—and places them mainly in less fortunate countries. The value of the professionalism of volunteers, if they were to be paid what the market paid them before they joined VSO, would be some £18 million. Hon. Members might want to think about that. Volunteers forgo £18 million in wages annually, presumably based on a 40-hour week, but on top of that they move abroad. However, it is not quite the abroad that we know or as we like to imagine it—it is the other abroad of malaria and dengue fever. I met a volunteer in Phnom Penh who was getting over a rather nasty dose of dengue fever. Of course, volunteers are often abroad in a village with no electricity and, perhaps, no running water—for not just 40 hours a week, but 168 hours a week and 24/7.

Volunteers build capacity in education and health. They build capacity wherever it is needed. They are ordinary men and women and I would argue, perhaps controversially in the current surroundings, that they have a greater sense of service than politicians, although, in fairness, most politicians get into politics to serve society. However, these people seem to get into volunteering to serve humanity.

These examples are just the tip of the iceberg and I am sure—I know—that other organisations do good work as well. However, this is threatened by what could happen to just 1% of the DFID budget. My colleague from Northern Ireland, the hon. Member for Upper Bann (David Simpson), raised the following matter in his intervention. VSO received 51% of its funding last year—less than a third of 1% of DFID's budget in that period—from DFID. Almost a decade ago, VSO received 90% of its funding from that source, but this year it is projected to fall to 48% and in five years it will be less than 40%.

The problem stems from that rainy afternoon, where I read in point 2 of the FAQs titled, "Proposal and Logical Framework information":

"Successful applicants cannot receive a PPA which is more than 40% of their annual income, averaged over the previous three years."

That would be immediate from next April.

I know and hope that the Government's heart—like that of every hon. and right hon. Member in this Chamber—is in the right place, but do they realise what a sudden swing of the axe could do? It could equate to a reduction of volunteers by 50% and reduce the number of beneficiaries—the 26 million who are affected, reached and touched by VSO programmes—to 12 million. In short, the cuts will not hurt VSO as much as they will hurt those who benefit from the help and aid.

Organisations such as One World Action and Progressio will be pushed to cut where it is administratively quickest and easiest. Cuts will be too quick and too deep; transitional arrangements will be hard to make, if indeed they can be made at all. However, DFID is receiving an increase in funding. It is one of four Whitehall Departments to receive an increase, and one of two Departments, together with the Cabinet Office, to receive a double-digit increase in funding. According to the comprehensive spending review, the Cabinet Office budget has risen by 28% and that of DFID by 37%. On the surface, that seems to bode well for all organisations that use DFID funds. However, an increase in the departmental administration budget seems not to guarantee the safety of funds that go to the overseas voluntary sector.

The Minister of State, Department for International Development (Mr Alan Duncan): Perhaps it might help to shape the rest of the debate if I were to point out that the partnership programme agreement funding is but one source of possible funding streams for voluntary organisations. If there is, as there will be, a 40% cap on a PPA, that is not necessarily a 40% cap on all the money that could go to a voluntary organisation. Such organisations could, for instance, also apply for in-country funds.

Mr MacNeil: I greatly welcome the tone of the Minister's remarks. They seem to indicate that the door is ajar, and that he is ready to ensure that the transition happens in the managed way that all in the Chamber would hope for and expect. The threat is perhaps not so great given that opening door from the Minister, and we have heard of the value of volunteering from the Prime Minister. I hope that I am wrong, and that this is not an instance where one arm of the Government is not fully aware of what another arm might do. In reality, we have been told that the PPA will give no organisation more than 40% of what they received, although the Minister now indicates differently and I am pleased at that.

What does the Department intend to do with the increase in funds? Under current budgetary plans, DFID's budget will rise from £7.8 billion to £11.5 billion over the next four to five years.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. He speaks about the increase in funding. Does he agree that on occasion, resistance in the media or among some sections of UK society to increases in overseas aid inevitably involves criticism about corruption? That is where there is resistance to overseas aid. The Government, and all of us, need to do everything possible to eliminate the concept of corruption as it affects overseas aid.

Mr MacNeil: The hon. Gentleman is correct in what he says about corruption. From my personal experience, and from examples of tax raising, VSO in particular has been effective in tackling corruption with very low resources. The increase in teachers' salaries in Cambodia was about tackling corruption to ensure that students did not offer their teacher money to pass their exams. That was low-level corruption, but it is important that the idea and feeling of corruption is eradicated from a society.

VSO will put a volunteer in the field for about £661 a month; a consultant might cost up to £10,000. We have aid programmes that can use money and provide a good service with real value. During recent questions to DFID, a question was asked about the co-ordination between

various NGOs and their advocacy departments. I went directly to some of the NGOs and found an umbrella group called Bond—British Overseas NGOs for Development. It ensures collaboration on various issues between the NGOs, so that each organisation works to its strengths and does not overlap. I say that to highlight that such groups are a lot more sophisticated than they are credited as being, certainly during DFID questions last week.

Why does the Department insist on cutting from budgets based on the average budgets of the past three years? If the cuts arrive, will the Minister guarantee that the shortfall will be made up by other pockets and purses within DFID? It is arguable that cuts based on average budgets of the past three years will be too deep and too fast. Although everybody has to find savings, surely we can find a way to cut that does not threaten our commitments to effectively spend 0.7% of gross national income in overseas aid. Organisations such as One World Action, VSO and Progressio are arguably among the best conduits for that aim. If the Government are committed to spending 0.7% of GNI on overseas aid while reducing the budget of UK-based agencies, where will those funds be spent? Where does the Department want to direct those funds? Is it planning for those funds to be directed to the World Bank, in the way I think has been suggested? What I said about consultant costs could be applicable to that.

Jo Swinson (East Dunbartonshire) (LD): Like the hon. Gentleman, I have had the great advantage of taking part in VSO's parliamentarian scheme this year when I worked on a climate change project in Nigeria. I take his point about the value of VSO. Does he agree that VSO is almost the ultimate in the big society, with volunteers from across the world giving up their time for the big global society? That means that every pound spent on that organisation is such good value.

Mr MacNeil: The hon. Lady is absolutely spot on. It is about the big society and being aware of a bigger picture. It is about spending money effectively. One thing that struck me when I spent two or three weeks in Cambodia with VSO was that I was not put in an hotel; I was not put anywhere plush or posh but I was camping in a room next door to the main VSO headquarters in Phnom Penh. No extra money was wasted. If I am honest, every penny seemed to be a prisoner with VSO, which means that it was being spent effectively in the right ways and places.

Jo Swinson: I hope that the hon. Gentleman does not mind me interrupting him once again, but I wondered whether I could ask if he had the experience of having electricity in his accommodation. Although there was supposed to be electricity in the flat in which I stayed in Nigeria, the vagaries of the power companies meant that it did not work while I was there. That is one interesting way of cutting back on costs.

Mr MacNeil: I am grateful to the hon. Lady for that. I must have lived at the posh end of VSO, because I had a mosquito net and a fan.

Mr Gregory Campbell: Luxury.

Mr MacNeil: Yes indeed—luxury. I had a reasonably comfortable night, but if the fan had broken down and the electricity had gone I would have been in real trouble. That goes to show that the experiences we have had were similar to those of other volunteers. Apart from a fan and a mosquito net, VSO has not feather-bedded MPs at all. Perhaps other volunteers have experienced far worse.

The reason that I make suggestions and raise the issue is to help the Government pause and get it right. I am sure that they want to get it right, but this is not about politics. Real people and real issues are at stake. The organisation started 52 years ago in 1959 with a £9,000 grant. That is approximately £160,000 in today's money. It has blossomed into a world leader in overseas voluntary aid. It was the progenitor of other great organisations such as the Peace Corps in the USA, which started in 1961 with a grant of £30 million.

I believe that we are lucky to have such organisations working on our behalf and in our name, giving people from this country an opportunity to help, and most importantly, giving others a helping hand to make the world a better place. People do that without the need for weapons or sanctions. They do it mainly from the kindness of their heart and feel that the world could be a better place if they contribute in some small way. Their work should be supported at all levels and from all facets of life.

There is a fear—I hope only a fear as I am mindful of what the Minister said—that organisations could see a reduction in income from DFID. However, those organisations are planning to go below the Government ceiling anyway over the next few years. I appeal to the Minister, who I know is a sensible and reasonable man, not to do any harm, but to do good work. I ask him to crack canny with the pace, as they might say in Scotland, keep delivery in place and not endanger anything for the sake of 730 days, or two years, and to manage the transition in a careful, thoughtful way, without resorting at pace to the axe.

9.49 am

Mr Roger Gale (North Thanet) (Con): I start by thanking you, Mr Bone, for enabling me to make a speech this morning rather than my being in the Chair. I know that that has been inconvenient for you, but it is very kind and much appreciated.

I congratulate the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) on his good fortune in securing the debate. I suspect there will be some repetition this morning. My right hon. Friend the Minister will be aware that many hon. Members on both sides of the House hugely appreciate the fact that, even at a time of austerity, the Government have found it possible not only to protect DFID's budget, but to enhance it. That is not particularly fashionable electorally. We all have constituents who say, "Why are you wasting that money over there when we ought to be spending it here?" However, I think we all agree that it is a mark of a civilised society that the relatively rich do their utmost to help the very poor. It is also money well spent in terms of international security and even business investment. We appreciate that.

Jim Shannon (Strangford) (DUP): The hon. Gentleman talks about the need for society to consider people in other countries, which is what we all look towards

[Jim Shannon]

doing. I am sure that, before the election, he, like many other hon. Members in the Chamber, was approached by Christian Aid and other organisations regarding ensuring that the moneys needed overseas would continue to be provided. I understand that the Government have given a commitment to that. However, this debate is about VSO—overseas volunteers. Clearly, they are part of society as well, and many people want to contribute and do something. Does the hon. Gentleman agree that we must do more than, possibly, what the Government are doing and go along with what the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) has proposed this morning?

Mr Gale: If the hon. Gentleman will bear with me for a few moments, he will discover that we are not poles apart. When I go on to talk about VSO, he will understand that I think that a very good way of making a significant and practical contribution.

I need to declare two interests. First, I am a trustee of an organisation called the Society for the Protection of Animals Abroad. SPANA is probably the leading charity worldwide in saving and caring for working animals. There are very significant parts of the world, and societies, where working animals are people's livelihood. Following disasters such as floods, earthquakes and famine, if those animals are allowed to die, people die, and I have never seen any point—brutal though this may seem—in saving a child's life today only to see it die of starvation tomorrow. If we are to invest money well, we must ensure that the long term and the mid-term are catered for, as well as the very short term. I mention that not because SPANA receives money from the Government. It does not; nor does it wish to. What it does want from the Minister's Department is greater recognition, a greater opportunity to play its part in helping in places where there is poverty and disaster and, if possible, a seat at the Disasters Emergency Committee table, because there is no such representation in that body. I ask my right hon. Friend to take that thought away with him.

My second interest to declare is that I am one of the growing band of parliamentary graduates of the Voluntary Service Overseas scheme. The hon. Member for Na h-Eileanan an Iar is one such, and others are present. I know that my hon. Friend the Member for Southend West (Mr Amess), if he is able to catch your eye, Mr Bone, will want to make an equivalent contribution.

I had the good fortune to spend a fortnight in Ghana in 2009 with the Ghana Federation of the Disabled. My task was to seek to promote good governance within the disability community in Ghana. That organisation is facing considerable change internally, following the passing of laws designed to assist the disabled. It is a moot point whether they will do so. As we all know, Mr Bone, passing laws is one thing; implementation is just as important. Part of the task was to prepare a paper designed to offer a template for future work by other parliamentary colleagues and by the organisation itself, and establishing relationships with Members of Parliament on the all-party disability group basis that we understand here, but that Ghanaians have no experience of. As an aside, I think it incredibly valuable for parliamentarians to have the opportunity to go overseas to contribute, but also to learn.

Hon. Members' experiences overseas have been mentioned. I, too, had a mosquito net and a fan. My fan was called Ed—Ed was a cockroach. Ed and I became great friends over my fortnight in Ghana. The existence was basic and the funding was basic. I am told that VSO volunteers generally receive no more than £200 a month. Even in these days of austerity, most people in this building are accustomed to living on a little more than that. The great thing about such a scheme is that we get out of the city, out of the big hotel, into where the action really is and see life as it is, and perhaps make a modest contribution.

When I arrived in Ghana, I had the good fortune to be coming in on the back of an intake of 30 VSO volunteers just in that one country. They were people from all walks of life. That needs to be underscored. There is an impression that VSO is a gap-year experience or an immediately postgraduate experience, when people have the opportunity to volunteer before they take on marriage, children and other responsibilities and can no longer do that. That is patently not the case. Those 30 volunteers were people from all walks of life and various countries.

I recall an oil engineer and his wife from Australia. Within a fortnight, that couple had made a decision—he had given up his job; they had let their house—and two weeks after taking the decision, they were in Ghana, ready to go out to the west of the country to set up a communications system in the form of a very basic local newspaper. They were people in their mid to late 50s. I recall the former head teacher of a special needs school from the north of England who had taken early retirement to go to the north of Ghana to engage, not surprisingly, in special needs education there. I recall a relatively young civil servant from Leeds, who had given up a secure, pensionable, well paid job to go out to that country to assist in the way she felt she could.

There were young, middle-aged and quite elderly people—I put myself in that category, I suppose—who were all trying to do the same thing. The point has been made, and we ought to underscore it, regarding the present Government, that that is really the big society. That is the global big society. That is what it is all about. That is what I believe the Prime Minister wants to promote and what I know the Department would like to promote. The beauty of it, and it really is a beauty, is not only that the people participating through VSO make a significant contribution—we flit in and out, but most of the people who do that make at least a two-year commitment and some carry on for much longer than that—but that when they come home, they become super-engaged in civic society here because of the experiences they have had overseas, because of the privation. Malaria has been mentioned. A young lady who had been in the north of Ghana came back to the flat I was staying in, with typhoid. Things are rough, but because of that, when the volunteers come home, they bring a huge amount back with them that then makes a significant contribution to our society.

On the current financial situation, I stand to be corrected, but I think I am right in saying that VSO receives roughly 51% of its funding from DFID—my miserable maths suggests to me that some 49% comes from elsewhere. I say to the Minister that if there is to be a 40% cap, realistically that ought to be a 40% cap based on the income worldwide, because a huge

contribution is made by industries, organisations and people from around the globe. It would distort the picture a little, in terms of value for money, if the 40% cap were based solely on income in the United Kingdom. I am sure that none of us wants that to happen. I shall explain why it is of such concern.

Mr MacNeil: The hon. Gentleman is making an excellent point. Does he agree that the £18 million, which I suggested was the value in the marketplace of the wages of people such as the oil engineer from the antipodes who gave up his time to work for VSO, should be part of that equation?

Mr Gale: The hon. Gentleman is absolutely right. We are talking about 250,000 national volunteers spread over 20 countries. It is incredibly good value for money. We have heard, and I am sure will hear again, about the low costs.

VSO is hugely cognisant of the fact that we live in an age of austerity and is hellbent on cuttings its costs by up to 30%, as quickly as possible. That will not be easy. It is easy to say that one should cut head office costs and get the money to the front line. We all want to see the money being spent at the sharp end. However, in organisations that require the preparation and paperwork that are inevitable with visas and travel documents, and in looking after people, there has to be a head office operation. VSO has recognised that, as with any head office operation, there must be room for savings. It will do its best to ensure that all the money that DFID gives, from whatever pocket of funds, is used to the best possible advantage.

In conclusion, VSO gets huge bang for the buck. It is immensely valuable, not only worldwide but back here in the United Kingdom. In so far as is possible, even at this time, the Department should do its utmost to maintain the funding to ensure that current projects and planned future projects are possible.

10.1 am

Robert Halfon (Harlow) (Con): I congratulate the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) on securing this debate. I am pleased that BT broadband is working so well in the Hebrides. I always enjoy watching his contributions from the other side of the House and his remarks today were particularly thoughtful.

The economic crisis and the £900 billion public debt have made times hard. Charities and voluntary groups feel that pressure considerably. I welcome this debate because organisations such as Voluntary Service Overseas have transformed people's lives. It is important that the House think of them as we try to bring public finances under control.

We must acknowledge that there is some good news: the Government are committed to spending 0.7% of our national income on aid and the DFID budget will grow to nearly £10 billion a year by the end of this Parliament. I welcome DFID's plan to reform the aid system to prioritise clean water and sanitation programmes, and to give British taxpayers more transparency so that they can see where their money is going. I welcome the fact that the Government will cushion the impact of reductions in public spending through the £100 million transition fund, which will be available to smaller charities and social enterprises. Above all, we have a duty to show that we are getting value for money as Government spending is restrained to grow in line with inflation.

I will focus on apprenticeships abroad. When aid is well spent, it is hugely in our national interest. As was stated in the policy paper, "One World Conservatism",

> "well-spent aid has worked miracles: eliminating smallpox, almost eradicating polio...helping get millions of children into school and saving millions of families from hunger and disease."

In the debate on global poverty on 1 July, I made the point that the best form of aid is sharing expertise and know-how. Above all, there is no substitute for knowledge. Providing vocational skills and training, such as apprenticeships, is one of the best ways in which we can help our neighbours overseas.

Hon. Members have spoken of their work for VSO. Many of them will have heard of Project Umubano in Rwanda, which I was privileged to go on over two summers to teach English. The people there are hungry not only for food and work, but for knowledge and skills. VSO does a huge amount to share concrete, practical skills. The Westminster Foundation for Democracy, with which I worked a few years ago in Uganda and Tanzania through the Conservative party, shares technical knowledge and advice with democratic parties abroad.

Perhaps in future, DFID might sponsor aid apprentices through VSO on a kind of apprenticeship gap year. Businesses, too, might contribute through social responsibility initiatives, and help to build technical capacity overseas. When apprentices return home to the UK, they will have a proper qualification and will have gained valuable experience, which will help to boost our domestic economy. The gap year is a time-honoured institution. It boosts the confidence of young people before they go to university or start work. Apprenticeship gap years would channel young people's raw energy and enthusiasm into aid projects, and give them structured training.

We live in a multinational world. Working as an apprentice for DHL in Harlow is similar to working as an apprentice for that company in places such as Delhi, Hong Kong and Beijing. If we offered a high-grade apprenticeship, perhaps a level 3 qualification, it would be as well regarded as doing an apprenticeship at home.

The DFID accounts show that in 2009, we spent £356 million on "innovative approaches to development". That pot of money might be refocused.

Many of my constituents in Harlow earn less than £200 a week. They ask why, at a time of cuts in public spending, we plan to spend so much on foreign aid. That is not an easy question to answer, other than with the moral case. However, if we can show that we are giving young people opportunities that they would never otherwise have, giving them proper qualifications and, on top of that, helping the poorest communities in the world, perhaps my constituents and the British people will welcome aid spending with open arms. A gap year apprenticeship scheme would be similar to the Government's planned national citizen service. It might transform the lives of young people, and give them jobs and opportunities.

This is a matter not just of economic efficiency but of social justice. We cannot help everyone, but we can look for ways to increase what my hon. Friend the Member

[Robert Halfon]

for East Hampshire (Damian Hinds) recently called the gross world product, or GWP, which benefits everybody, including the United Kingdom.

As I have said, there are pots of money in DFID, such as the spending on "innovative approaches to development", that could be used to deliver this policy. I hope the Minister will consider this idea and the benefits it might bring to young people across the British isles and to our neighbours overseas.

10.8 am

Mr David Amess (Southend West) (Con): I congratulate the hon. Gentleman who introduced the debate; I will not attempt to pronounce the name of his constituency. He covered the arguments extremely well, and there is little that I can add. I will not get too involved in the argument about funding, given the Minister's intervention in which he suggested that it will all be fixed and that there is nothing to worry about. We will have to read *Hansard* carefully and reflect on the possibilities for VSO.

My being here is entirely the responsibility of my hon. Friend the Member for North Thanet (Mr Gale), but I do not regret it. He told a wonderful project manager at VSO, Elizabeth Goodwin, that I was just the right sort of person to take part in her scheme. Like my hon. Friend, I declare an interest that is listed in the Register of Members' Financial Interests. The trip that I experienced this year was funded by VSO.

To outdo colleagues, I concur that the living conditions were austere. I think that I had electricity—at least, I could see what I was doing—but there was no hot water. I ended up having to dangle some contraption in water. Initially, I thought it was a conspiracy to get me to electrocute myself, but I survived that prospect. There was also what appeared to be a tarantula that was keen, every evening, to get into bed with me, although I was somewhat reluctant to share my bed. There were other sorts of insects, which "I'm a Celebrity…Get Me Out of Here!" would be keen to have on board as a test.

In my early years as a Member of Parliament, in the '80s, I went to the Philippines through the Inter-Parliamentary Union. The trip was well organised and I thoroughly enjoyed it. I suppose that as a result of that trip I fell in love with the country. Indeed, when President Fidel Ramos visited this country, I had the privilege of taking him on a tour of this place, and I kept in contact with him. Therefore, when Elizabeth Goodwin gave me the list of possible countries for me to visit, and one of them was the Philippines, I immediately said yes.

We in this country now know the Philippines far better than was the case in the '80s, because many of our care homes and hospitals benefit from the wonderful care of Filipino nurses. I was told that my job was to support the Filipino nurses. I was somewhat bemused about how I was to support them but, simply put, I was told that my arrival would mean that doors would be opened. That is what I was charged with.

I stayed in the residence of the Philippine Nurses Association, which was right next to a large church that seemed to be worshipping 24 hours a day. Two days before I left, Filipino students were collecting their certificates from the college next to where I was staying—34,000 students were queuing up, over a number of days, to get their certificates. I will never forget that. Sadly, because of the economic circumstances not only in this country, Ireland and Greece but all over the world, it will be difficult for those students to get jobs. Nevertheless, I congratulate each and every one of them.

During my 10-day volunteer period, I was tasked with a number of objectives, all of which we achieved. I was able to understand the depth and the extent of the current issues and concerns of the Filipino nurses regarding the health challenges faced in the Philippines. I was able to acknowledge the unique skills that Filipino nurses bring to their work, thus making them a much-cherished asset in the health care delivery system—as far as the Philippines is concerned, one of its greatest gifts is the people themselves. I always say to one or two grumpy constituents, "A smile doesn't cost anything", and yet it lifts spirits—it is certainly a great gift of people from the Philippines.

Another task I was given was to assist the Philippine Nurses Association in soliciting commitments and concrete action from the Philippine Government and the agencies. We argued the case for the placement of a nurse consultant position in the Department of Health, and we were able to meet everyone except the President of the Philippines, although the newly appointed Secretary of Health seemed distracted by the Miss Universe contest, which was going on at the time, and by an urgent message that dengue had broken out in one of the villages. However, I think he understood the message that Filipino nurses needed recognition and a consultant position.

We were also tasked with ensuring that Filipino nurses were provided with humane working conditions and properly reimbursed for their dedication and excellent skills. We argued for the creation of more jobs for nurses in the country, especially in rural areas, where health services are in dire need.

I was born in the east end of London, so I do not need anyone to lecture me about poverty in the UK, although I did not feel as a child that I was being brought up in poor conditions. However, we are all extremely wealthy in this country compared with the circumstances abroad. When one goes to the north of the Philippines, one can see how difficult life is. We went to Ifugao and climbed the rice terraces—I was in one of the two teams and I am delighted to report to the House that we did it four times more quickly than team A, which was supposed to be full of professionals. It was a wonderful experience, but we also visited what they called a health care centre there. We saw a lady who was waiting to deliver a baby—she had been in labour for about three hours—and the process of getting her to this particular health care situation on a stretcher was unbelievable. If any colleagues feel hard done by, they should take advantage of one of the opportunities presented by VSO to see how tough life is for some people.

Another task was to ensure the implementation of existing laws for nurses' welfare. We argued for the implementation of the Nursing Act 2002 and the Magna Carta of Public Health Workers. We argued for an increase in the health budget—we visited the Senate and the Congress, and even lobbied Imelda Marcos and a number of other politicians in the Philippines.

We also argued for ethical recruitment policies when hiring Filipino nurses to work abroad. I am delighted to say that, when we visited our embassy in the Philippines, we were very impressed with how it was staffed—it was well run and there was a Filipino lady in charge of processing the work permits. However, a great concern—something I have raised with other Departments—was some unscrupulous companies in this country, which solicit money from Filipino students to get them to this country under a student visa programme, while misleading them by giving the impression that they can convert their student status into a permanent job here. Given how tough it is to seek any sort of living wage in the Philippines, such companies in the United Kingdom should be ashamed of themselves. I hope that the Department I am in touch with will eventually name and shame them. Hopefully, our embassy is dealing with that serious situation.

I was able to share experiences in advocacy and lobbying with key Philippine Nurses Association leaders through a forum and seminar that I addressed. I also feel that I was able to strengthen the positive image of Filipino nurses. We know that the chaps work on ships throughout the world, but Filipino nurses are also a great gift as far as the Philippines is concerned.

In conclusion, I felt that VSO had made a real impact in the Philippines, at least with the project I was introduced to. VSO Bahaginan is well organised and an efficient operation. It has made a tremendous impact, as far as I am concerned. VSO chooses its partners carefully, to ensure that they are in a position to make a difference in their country and able to benefit from the capacity building and skills support that volunteers and learning exchange programmes offer. VSO has long-standing relationships with its partners, and a sudden drop in funding, without due planning for withdrawal, would lead to a severe reduction in the working relationship. Hopefully, that will not happen.

VSO Bahaginan is a volunteer sending organisation. The profile of VSO volunteers has changed dramatically since the VSO began. Now, 30% of the volunteers are from southern countries—professional Filipinos volunteer in VSO's programmes worldwide, then return to the Philippines with increased self-confidence.

Mr MacNeil: When I was in Cambodia, we benefited round the table from the work of Filipino nurses, who were volunteering to help deal with the situation there. They took their expertise from the Philippines to help people somewhere else, which was a very heartening aspect of VSO. Help was going not just from the developed world to the developing world, but between countries in the developing world.

Mr Amess: I thank the hon. Gentleman for his contribution, which reinforces just how valuable this scheme is to a nation. Furthermore, the pattern that I mentioned is repeated for southern volunteers from India, Sri Lanka, Kenya and Uganda, to name just a few.

VSO volunteers also make other aid more effective. Many of our partners received direct funding from the Department for International Development, other donor Governments and international organisations. VSO volunteers' capacity-building work—transferring skills, improving financial and human resources and management systems, and helping to shape strategies for partners—makes the money that countries receive work even harder. As a result of VSO volunteer efforts, partners can work out how funding can be spent more effectively, as well as evaluating its impact, accounting for money flows and reporting back appropriately to donors. The 2010 external evaluation report on this work said:

> "Donors recognise that community-based organisations who have benefited from VSO support have more robust plans, structures and systems".

The presence of volunteers therefore acts positively to support financial aid, and volunteers are value for money.

Obviously, all parliamentarians will say that they are in favour of VSO, which is a wonderful scheme. All parliamentarians understand that these are tough times for the economy, but I for one am delighted that we have had this debate, and I am pleased that we already appear to have had a positive response.

10.22 am

Jo Swinson (East Dunbartonshire) (LD): As ever, it is a pleasure to serve under your chairmanship, Mr Bone. I congratulate the hon. Member for—I will try to say it—Na h-Eileanan an Iar (Mr MacNeil) on securing a debate on what is undoubtedly an important issue. I am glad that the Minister has expressed his willingness to listen and perhaps to find an innovative solution. There is general agreement that all organisations—even those working in the international development sphere—need to spend money more efficiently and to reduce their reliance on public funds, but it is important that that transition should be managed in a way that does not unduly damage the great projects that organisations are running abroad.

I would like to share the experiences that I had this summer, and I draw Members' attention to my declaration in the Register of Members' Financial Interests. As I said, I undertook a VSO placement in Nigeria. There is a level of competition about the various bugs that Members have had to put up with. The hon. Member for North Thanet (Mr Gale) had Ed the cockroach, while the hon. Member for Southend West (Mr Amess) had the tarantula that was keen to get into his bed. I am thankful that I did not experience cockroaches or tarantulas, and that was down to the gecko that lived in my bedroom. I think that it was eating everything else, so I am quite pleased that my cute little gecko was there.

I worked alongside the International Centre for Energy, Environment and Development, which does essential work, particularly on climate change. One thing about going to other countries is that we find out things that we had no clue about before. For example, the third biggest killer in Nigeria after malaria and tuberculosis is poisoning by fumes from cooking stoves, which kills 79,000 people every year. Never in a month of Sundays would it have crossed my mind that that would be such a huge problem. One of ICEED's projects involves improving the efficiency of cooking stoves, which obviously has a health benefit. However, it also has a massive benefit in terms of climate change and emissions. Furthermore, if stoves are more efficient, the amount of deforestation can also be reduced. In a country where most cooking is still done on a stove, that makes a big difference.

[Jo Swinson]

The VSO office in Abuja, where I was, had projects on education and HIV, but I was working very much on the climate change projects, as I said. For a country such as Nigeria, climate change is an absolutely vital issue. The north is already experiencing the impact of increased desertification and a reduction, therefore, in agricultural effectiveness. In the south, one just needs to look at a map to see that the former capital, Lagos, with its 38 million people, is very vulnerable to any sea level rise. For such a densely populated city, that is obviously a great concern. Furthermore, the country is blessed with massive energy reserves, but it has frequent blackouts. It also has no proper gas network, so when the oil is extracted, the gas is flared. There are therefore many challenges in tackling the important problem of climate change.

The project I was involved in worked with a network of climate change organisations that was trying to pass a Bill. The Bill is somewhat similar to our Climate Change Act 2008 and would set up a commission on climate change to provide cross-departmental expert advice to the Government. That would perhaps be done with a little more force than has been the case under the Ministry of Environment on its own. Although the Bill had been through both Houses of Parliament, the problem was that it needed to be harmonised, much like when we have ping-pong in this Parliament, and then signed off by the President. A very real deadline is approaching in April, when elections will take place. If the Bill is not signed into law by then, the whole thing will fall, and the process will have to start again from scratch.

I was giving advocacy and lobbying advice to the network of organisations involved. I ran a workshop to share some of the experience that we have had in this country of campaigning on issues such as climate change. I am pleased to report that since my visit in September, the Bill has been harmonised. The final hurdle involves getting the President to sign it off, and I hope that some of my suggestions to the youth organisations involved about a Facebook campaign—President Goodluck Jonathan is indeed on Facebook—might help to raise the issue up the agenda as the elections approach.

When I was in Nigeria, I was also able to see examples of best practice. Often, we in western countries think that we know best, and we go out and preach to people in other countries about what they should do. I was keen not to do that on my visit, so I did some research as preparation before I went and arranged to visit Cross River state, which has 60% of Nigeria's forests. As Members will know, deforestation is a major factor in climate change.

In 2008, the state's forward-thinking governor, Governor Imoke, introduced a moratorium on logging for two years while a UN process was put in place to decide how to bring in money for the forest, other than through deforestation. Those moves have been incredibly successful, and they are important for the unique habitat in the forests. I was able to meet the governor and to give some support to his work. Furthermore, Odigha Odigha, who has a long track record on campaigning to protect the lifestyle in the forest, has been put in charge of the forestry commission.

Experience outside the project is another of the real benefits of VSO, because we get to see the true country in a way that does not happen on a normal parliamentary visit. At ICEED, I worked alongside the volunteer Emily Bullock from the UK, who has a lot of experience in renewables.

I went down to the market to buy food and met a young lady called Chizoba, who was a tailor. She has worked hard to get her skills and to buy a little sewing machine, which she sets up in a corner of the market. She wants to build a business and, ultimately, to rent her own little shop in the market—I say shop almost in inverted commas, because these things are in the open air, where it is very busy. Dickson the driver was trying to save up the money to go to college to get his education. Meeting real Nigerians and being able to understand their lives was a huge benefit.

Taking part in the VSO parliamentarian scheme gave me a window, in a short time, through which to see the great value that organisations such as VSO provide. That value is not only in the projects in the countries that receive volunteer support. There is also great value for the volunteers, because of the skills and experiences in relation to life abroad that they bring back to this country.

Volunteering raises awareness that most people in the world do not have the home comforts, which we are all used to, of inside toilets, clean hot running water and electricity that continues throughout the day. It is easy, in our cocooned lifestyles, to think that life is the same everywhere, but that is not true. I hope that the Minister will be positive, and that some innovative solutions can be found to the funding concerns of VSO. I am delighted to have taken part in the debate.

Mr Peter Bone (in the Chair): I thank Back-Bench Members for keeping their comments relatively brief, which meant that they could all contribute.

10.30 am

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Bone—I think it is the first time I have done so. I congratulate the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) on securing the debate and giving us the opportunity to hear from several hon. Members about their experience of volunteering. That has been extremely interesting and helpful in showing some of the advantages and benefits that volunteers and host communities get from volunteering.

Hon. Members painted a series of pictures of their life as a volunteer, each one more gruesome than the last. Perhaps we should be grateful that everyone survived their experiences; but I found the speeches very useful—particularly the suggestions made by the hon. Members for North Thanet (Mr Gale) and for Harlow (Robert Halfon) about positive further action that might be taken. I am sure that the Minister will respond to those points. I was also struck by the work done by the hon. Members for Southend West (Mr Amess) and for East Dunbartonshire (Jo Swinson) in relation to volunteering abroad. Both seemed to have spent quite a bit of time working on advocacy, communication and policy, which shows that work done by NGOs in that area, both overseas and in the UK, is very important. Sometimes people criticise the advocacy and communications work of those organisations, and clearly it should be only

a small part of their overall work, but it is also an important part of it, and we have seen the benefit of it in what hon. Members have told us today.

The background to any discussion of DFID budgets is of course different from the current discussions in relation to most Government Departments, because DFID is not suffering the large cuts being imposed on most other Departments. That is as a result of the commitment by the coalition, continuing the commitment of the Labour Government, to reach the target of spending 0.7% of gross national income on overseas aid. Of course we have questions about how the Government will get to that target, and concerns about the freeze for the next couple of years; but the Government know that we are fully behind the commitment to the overall target. The Minister and his colleagues will find that we support him in his commitment to it, even if sometimes those sitting behind him in his own party may be more lukewarm.

There will of course be a debate about how DFID money will be spent under a new Government. Some programmes will change. The Government are perfectly entitled to have such a review and debate. However, it is important that any review should not threaten the viability of existing, valuable programmes by organisations such as VSO. Nor should there be prolonged uncertainty during the review. I reiterate the concerns expressed by several hon. Members today about future funding for VSO. The point has been made that VSO does not object in principle to the objective of diversifying funding; but it is concerned—as are many other organisations—that the reduction to a share as low as 40% coming from the Government could have a negative effect on its work and, consequently, on already poor communities.

I welcome what the Minister has said about other possible sources of funding being available to organisations that currently get funding through partnership programme arrangements, but some of the other funding sources also have a 40% cap. There would not be any benefit in having to move from one scheme with a 40% cap to another one with a 40% cap. I hope the Minister will listen to today's comments, and consider the suggestions that have been made by VSO for a transitional arrangement that would allow minimisation of the negative consequences of the 40% cap on PPA for the relevant organisations' good work.

Volunteering overseas can and should, in good programmes like those run by VSO, maximise beneficial long-term effects on local development efforts by the way in which it builds the skills and capacity of local communities. As hon. Members have said, that is a crucial aspect of volunteering. The benefit is not just the effect of two, three or four weeks, months or years of volunteer work. Host communities gain long-term benefits from volunteers' work. There is no doubt that the presence of volunteers is welcomed by the host countries. Also, there is little doubt that when volunteers return to the UK they have a greater understanding and appreciation of the issues that developing countries face. Hon. Members' speeches made that clear.

Volunteering programmes from the UK can also provide an opportunity for members of the diaspora communities in the UK—from south Asia, Africa and elsewhere—to develop or indeed re-forge their links with their countries of birth or heritage. That is another area of work in which VSO has been involved for a number of years. One programme, which, I understand, faces the end of its DFID funding, is VSO work with diaspora communities in the UK to allow them to develop links with their countries of birth or heritage. The current programme, which I understand finishes in May 2011, was funded under a scheme that will not continue after 2011. I understand that VSO has been told it could apply for funding from the global poverty action fund, but it will not be able to do that if it also gets money under the PPA fund, which is its main source of funding. I hope the Minister will comment on that, today or later.

Inevitably there is much agreement on both sides of the House in a debate such as this, which reflects the recognition of the good work done by volunteers and organisations such as VSO. I welcome what the Minister said about considering other sources of funding to assist VSO, in particular, with its concerns and fears, and I hope he can answer today the questions raised in the debate. The hon. Member for Na h-Eileanan an Iar told us that the monetary value of the work done in developing countries through volunteering is £80 million a year; but, because of its knock-on effects—the multiplier effects and the funding that can be obtained locally for volunteering work that is also done locally, and the long-term benefits—even that £80 million a year proves its value many times over. The Government should consider that when they make decisions about future funding of VSO and similar organisations that do valuable work overseas.

10.38 am

The Minister of State, Department for International Development (Mr Alan Duncan): I thank the hon. Member for Western Isles—*[Laughter.]* I have copped out—for initiating the debate, which is particularly poignant in the light of the recent death of Linda Norgrove in Afghanistan, who came from the hon. Gentleman's constituency. We have people like Linda in mind when we approach this debate.

I welcome the opportunity to address the issue of international development and the important contribution that can be made by the voluntary sector. I assure hon. Members that the coalition Government are certainly not reducing the budget for the work of the voluntary sector overseas. Indeed, as will be seen, we have set out our plans for increasing support to the most effective voluntary organisations. Over the years, Britain has established a global reputation for its work on international development, as a result of the work of successive UK Governments and the contributions from civil society, the private sector and UK citizens.

Mr MacNeil *rose—*

Mr Duncan: Is the hon. Gentleman going to give me a pronunciation lesson?

Mr MacNeil: I shall not say Na h-Eileanan an Iar again. What the Minister said sounded very welcome on first hearing. Is he guaranteeing that VSO organisations that believe their funding will be cut will not suffer a sudden drop in their funding but will be able to continue on their expected path—that come this April, the axe will not be falling?

Mr Duncan: I shall come to that point more specifically in a moment. In short, the answer is that I am not going to guarantee that individual organisations will have all their funding guaranteed in perpetuity. The whole point of what the Department is doing is to establish value for money, but I shall come to those arguments later.

Mr MacNeil: Our argument is not for funding in perpetuity, but for managed funding transitions and changes. We do not want a sudden drop in April. We want organisations to be able to manage the changes that are already projected, with spending being limited to below 40% in the next three to four years. I ask the Minister to take that on board, and to ensure that the good work that we heard about from all Members is not threatened in any way. That is a really serious point.

Mr Duncan: I fully understand the hon. Gentleman's argument. I shall deal with it later in more detail, but we believe that there are additional components in any organisation's potential funding that will allow flexibility and additional funding on top of the core funding. That could—although it is not necessarily guaranteed—sustain the level of funding that they hope for.

The House will be aware that, despite the difficult economic challenges, the coalition Government have publicly stated that we will not balance the books on the backs of the world's poor. We have protected the aid budget, and made a firm commitment to achieving the aid target of 0.7% of gross national income from 2013. The Prime Minister, the Chancellor and the Secretary of State for International Development have shown tremendous courage and leadership at a time when many were calling for reductions in the UK's aid budget.

Tackling poverty is not only a moral imperative; it is in Britain's self-interest. Well spent UK aid is one of the best investments we can make. Not only does it enable poor people to improve their lives, but it is good for our economy, our environment, our safety and our future. Quite simply, it is tremendous value for money. Our vision is simple. It is to make life better for the poorest in the poorest countries.

There is clear evidence that aid works. Over the past 25 years, we have seen 500 million fewer people living in poverty despite the rapid growth in the world's population. In 2007-08, UK Aid trained more than 100,000 teachers, vaccinated 3 million children against measles and supplied just short of 7 million anti-malaria bed nets. However, we should not underestimate the scale of the challenges that we face. Some 25,000 children die every day from easily preventable and treatable diseases; and 1.4 billion people still live on less than $1.25 a day, more than two thirds of them being women and girls. Those factors, as well as new challenges such as climate change, mean that we need to maintain and strengthen our efforts.

I recognise the valuable contribution made by international voluntary organisations, many of which are effective in tackling poverty and promoting growth. They deliver services to improve the lives of poor and marginalised people, often in places that official donors do not reach. They enable citizens to be more effective participants in decisions that affect their lives. They hold Governments and others to account, and they assist public engagement in development. It is for those reasons that the UK places importance on building and maintaining the capacity and space for an active civil society; it is part of our overall approach to international development.

Members will be aware that an important part of the UK voluntary sector's work overseas includes the special contribution of international volunteering organisations. Such organisations make a valuable contribution by offering UK citizens and others a unique opportunity to make a practical difference to poor people's lives in developing countries by sharing their skills, their knowledge and their commitment. I pay special tribute to former volunteers who have returned to the UK from their overseas assignments and are putting their knowledge, skills and learning to good use in their local communities. Some, it seems, are in the Chamber doing just that.

The House will be aware that in October the Prime Minister announced a new scheme to support international volunteering. The international citizen service will give thousands of young adults in the UK the opportunity to join the fight against poverty by volunteering in developing countries. Volunteering is a powerful way to experience other cultures, and it allows the returned volunteers to broaden the UK's public understanding of global poverty.

The Department for International Development funds voluntary organisations in many ways. More than 50% of the support provided by DFID to civil society organisations is made through DFID's country offices. The remainder is provided from central funds. I shall come to these shortly. In 2009-10, DFID provided £362 million to UK civil society organisations to assist in poverty reduction overseas. That was equivalent to roughly 9% of UK bilateral assistance. Additionally, DFID provides support to many local voluntary organisations in those countries where the UK has a presence. The UK also supports voluntary organisations indirectly, through contributions to the United Nations, the European Commission and other multilateral organisations.

Through those investments, we have been able to achieve significant results. With DFID support, Care UK is working with the private sector in India to provide affordable micro-insurance to 210,000 families in disaster-affected communities; the Gender Links programme in Malawi has contributed to an increase in women's representation in its Parliament from 14% to 22% in the May 2009 national elections; and WaterAid is helping 1 million people gain access to clean water and sanitation in Asia and Africa. These are significant results, and the UK can and should take pride in them.

The coalition Government are strongly committed to supporting effective civil society organisations. The House will be aware that DFID is providing support to civil society organisations over the next three years through its PPAs, or programme partnership arrangements.

Mr MacNeil: Will the Minister give way?

Mr Duncan: I am just coming to the nitty-gritty, but I shall allow the hon. Gentleman one more stab before getting stuck into the detail.

Mr MacNeil: Aid works—as the Minister said, fewer are in poverty, and he gave a list of impressive statistics. However, I have to say that I am not as heartened as I was when he intervened on me. Will he work to ensure

that there is a manageable and careful transition—the £26 million being reduced to £12 million—without damaging any of the good work?

I say this with open hands: I do not want the Minister to find himself painted into a corner. I am sure he is not trying to do that. I ask for the flexibility of approach that will enable this good work to remain intact. That is really important. I know he might not feel able to give a full commitment this morning, but he might want to give himself wriggle room to make the transition manageable. It is most important, but it is above politics.

Mr Duncan: There is plenty of scope in the way the system works to give the hon. Gentleman a solid degree of reassurance and the comfort he seeks. I shall explain the components of the system; it might lead him to feel he has had that reassurance.

I start with the programme partnership arrangements, the crux of our funding debate. They provide flexible funding. That is the key. A flexible contract emerges from the PPAs for those partners that get a three-year funding deal. The PPAs provide funding for some of the best-performing organisations, and they are highly competitive. We also want to ensure that voluntary organisations do not become dependent on DFID funds. That is a key part of the argument. That is why, in the next round of PPA funding that begins in 2011, DFID will provide funding to a maximum of 40% of an organisation's annual income. That is what we have been discussing this morning.

Our commitment to supporting voluntary organisations extends far beyond the PPAs. In October, the Government launched a new £40 million a year global poverty action fund, and projects will be selected on the basis of demonstrable impact on poverty, the clarity of their outcomes and the value for money they offer.

Let me respond to some of the contributions made this morning, which will add further detail to our discussion. We have covered—if not wholly to the satisfaction of the Member for Western Isles—the shortfall point.

My hon. Friend the Member for North Thanet asked if the 40% threshold should apply to an organisation's global income. We have to look at the audited accounts of any such organisation. Looking at global income compared with UK-only income, we see that UK-only income is the major component of British voluntary organisations' income. For instance, for VSO in the year 2009-10, the UK-only income was about £50 million and the global income was about £60 million. So, yes, my hon. Friend's suggestion would make a difference, but the difference between global income and UK-only income is not so huge that it is—let us say—a multiple of the amount of money that would otherwise emerge from a PPA.

My hon. Friend also asked if his charity, or the likes of it, could be represented on the Disasters Emergency Committee. DEC is not in the gift of DFID. It is a voluntary alliance of the UK's biggest charities and is designed to co-ordinate urgent action in response to any large-scale disaster. So, membership of DEC is more about scale and urgent response than anything else.

My hon. Friend the Member for Harlow (Robert Halfon) asked whether we could support overseas apprenticeships. That is why we are supporting the new international citizen service, so there is scope for a very positive outcome regarding the objectives set by my hon. Friend.

My hon. Friend the Member for Southend West (Mr Amess) asked how we can support volunteer organisations. Let me outline again the components of our support. We offer support through PPAs; through in-country funds, which have significant scope for supplementing anything that emerges out of the capped 40% of a PPA; through challenge funds, which can do the same, and now we also have both the global poverty action fund and the international citizen service. So there are many routes through which the total picture of a volunteering organisation's funding can be pieced together.

Mr MacNeil *rose—*

Mr Duncan: I will give way one more time in a moment.

The key for the coalition, at a time when we are under enhanced scrutiny of the way we spend our development money, as my hon. Friend the Member for North Thanet rightly said, is that we must look for quality and value for money in everything we do. We also need to enhance the process by which we do that—hence, the various components I have just outlined—and not just offer a lump sum of funding through a PPA.

Mr MacNeil: One point I want to draw to his attention is that I fear that organisations that are holding PPA money are unable to apply for or access other pots of money from DFID. I am not certain whether the Minister is saying today that they will now be able to do that, or that other organisations might come in. However, the difficulty is that we have this transition phase; the organisations are planning for that change anyway, but it is just the speed of the change that is a concern. It is in April—or two or three years from next April—that the change is due, and I ask him to allow some latitude to ensure that it is a managed and not a brutal change.

Mr Duncan: I would wholly agree with the hon. Gentleman if there were to be a sudden cut with no alternative funding stream or transitional source, but that is not the picture. Yes, there will be a cap of 40% on the underlying three-year agreement, but I have just outlined three, four, even five different channels that an organisation, if it can show value for money, can readily use to supplement what he describes as a "shortfall".

For example, if we take an organisation that might have, through its PPA, 50% of its annual income paid for by DFID, and that figure goes down to 40%, it is not beyond possibility that that 10% difference can once again be made up from the alternative funding sources I have outlined.

Mark Lazarowicz *rose—*

Mr Duncan: I will say something else, if I may, and then see whether the hon. Gentleman still wants to intervene. He himself asked whether other funding schemes have a 40% cap. The 40% figure applies only to PPAs because a PPA provides far more flexible funding than project-based funding does, and that is why the regime is designed to be different.

Mark Lazarowicz: I am grateful to the Minister for giving way. Can we have some clarity, either in today's debate or afterwards, regarding the ability of organisations that qualify for PPA funding to get other types of support as well? I have been briefed that one of the schemes that VSO might otherwise have been able to gain support for from the global poverty action fund will not be able to gain such support because VSO holds a PPA with the Department. Is the Minister saying that in fact, organisations can have a PPA and also receive funding from some of the other sources he has outlined?

Mr Duncan: I cannot say whether that is true in all cases: I do not want to mislead the hon. Gentleman by saying for certain that it is true in all cases. However, in many if not most cases, I believe it to be true. I undertake to write to him with a clear explanation of how the system works in detail, which is one of the advantages of having a debate such as this in Westminster Hall.

Robert Halfon: Will my right hon. Friend the Minister give way?

Mr Duncan: I will give way for the final time, because I only have two or three minutes left.

Robert Halfon: I thank my right hon. Friend for giving way and for his remarks on the international citizen service. However, will he give real incentives to companies, particularly multinational companies, to ensure that the service offers real apprenticeships for people to work overseas in the countries we have discussed?

Mr Duncan: I am grateful to my hon. Friend for raising that point, because one of the important thrusts of DFID under the coalition Government is that we want far greater engagement from the private sector, both in the delivery of development and in the likes of the apprenticeship scheme he is describing. So, the answer is yes – that is exactly the direction in which we want to go. That is why my right hon. Friend the Secretary of State for International Development is setting up a specific, bespoke private sector section within DFID, to ensure that the private sector can be a real engine for development in the years ahead.

In today's difficult fiscal landscape, the increased funding that DFID is making available imposes a double duty to ensure that every pound of taxpayers' money is well spent and can demonstrate real value for money. We cannot maintain support for a growing aid budget unless we can offer the British public independently verified evidence that funds are being well spent and achieving practical results. That is why the coalition Government have established the independent commission on aid impact, and why we are seeking value for money in every review we conduct and decision we make.

Earlier this year, the Secretary of State announced that DFID was undertaking comprehensive reviews of the UK's bilateral aid, multilateral assistance and humanitarian and emergency support. Those reviews aim to ensure that UK aid focuses on the areas where we can have most impact and deliver maximum results and maximum value for money. We are also working to ensure maximum value for money from our support to voluntary organisations. That will mean higher levels of competition.

Many British organisations are doing a brilliant job in tackling poverty. We will continue to support those excellent organisations, and through greater competition we will ensure that every pound of taxpayers' money is well spent and produces top quality results.

Mr Peter Bone (in the Chair): Order. Thank you for that splendid debate. As the hon. Gentleman who has secured the next debate is here in advance, and as I believe that the Minister is doing a "double-act" this morning—

Mr Duncan: I certainly am.

Mr Peter Bone (in the Chair): Therefore, we will move on to the next debate.

Lesotho

10.58 am

Ian Lucas (Wrexham) (Lab): Thank you, Mr Bone. It is a real privilege to appear before you in your elevated status; I think that this is my first time. I also thank you very much indeed for giving me that extra two minutes. I am sure that the extra time will serve me, the Minister and indeed the people of Lesotho very well.

Lesotho is an extraordinary African country. It is surrounded by South Africa, whose influence there is substantial, indeed crucial. Along with the UK alone, Lesotho has the dubious honour of having hereditary peers in its legislature. [Hon. Members: "Hear, hear."] I gather that that "Hear, hear" is support for the maintenance of hereditary peers by the Tory-Lib Dem alliance that is currently running the country, and I will note that accordingly.

Lesotho has a population of about 1.8 million people and its terrain is mountainous, with less than 10% of its land being suitable for cultivation. Unlike many African countries, it is very green and I think that its biggest export is water. If that sounds vaguely familiar, it may be that some friends of Lesotho see those characteristics of the country as being similar to those of Wales, for which I am proud to be one of the Members of Parliament.

In the 1980s, those common characteristics led Wales to be twinned with Lesotho. The relationship has grown since then, and a strong bond has developed between the two countries. An organisation called Dolen Cymru, the Wales Lesotho Link, has worked hard over many years to develop that bond, and initiatives across Wales, funded by the Department for International Development and the Welsh Assembly Government, have created joint working to confront the issues of our time: primary education, health—especially AIDS—and sustainable economic development.

Lesotho's schools are a credit to the country. If anyone here has the chance to visit Lesotho, as I had the privilege of doing in 2006, they will see schools packed full of individuals who want to learn and get on. Free primary education is a recent innovation, so Lesotho has some of the oldest primary school children one is likely to meet. Secondary education is keenly sought after, although unfortunately many of those who seek it do not have the means to advance themselves by that route.

Lesotho also faces many health challenges. It has the planet's third highest rate of HIV infection. Some 23.2% of the population between 15 and 49 are infected: 26% of women and 19% of men. Due to economic pressures, those infected are often unable to travel to seek the health and medical care that they need, even when that care is available.

Lesotho's economy is another challenge. The country is striving to move away from being a subsistence economy to being a modern diverse economy, but it is a struggle. The world recession has had a major economic impact on developed nations, but nations seeking to develop have been hit even harder. Textile subsidies that helped Lesotho export, particularly to the United States, have ended, which has had a major impact on the country, which makes wonderful wool products and marvellous tapestries, if anyone would like to adorn their walls with something beautiful. The products are made in Lesotho, but the country's ability to export those products to the rest of the world is limited.

There are pressures. Unemployment is high—rates of more than 40% are not unusual—and at present the country does not have the capacity to support a vibrant private sector. Little professional support exists for business. In advance of this debate, I received an interesting report from the Chartered Institute of Public Finance and Accountancy about work that it is doing to develop expertise and support for business in Lesotho. I commend that work. I think that the report is in draft, but it will be available shortly. Such support for business, and the development of a private sector that provides work and the ability to export, is important for the future of Lesotho.

Guto Bebb (Aberconwy) (Con): I congratulate the hon. Gentleman on securing this debate on the links between Wales and Lesotho. It is important to make the point that the Welsh contribution has been significant. On economic development, does he agree that the priority given by Dolen Cymru to educational links is a long-term strategy for securing economic growth?

Yes, there are short-term things that should be done, but in terms of educating a work force who can compete internationally, forming links between 130 schools in Wales and Lesotho is a step in the right direction. It is a good example of long-term planning in aid projects between this country and Lesotho.

Ian Lucas: The hon. Gentleman is absolutely right. The introduction of free primary education in Lesotho is having a massive positive impact. I will say a few words about the thirst of people in Lesotho for education. They see it as a way to progress within their lives, become teachers or entrepreneurs and develop the skills that they need to take their country forward. It is such a recent innovation—it has only happened within the past decade—that many lives previously did not reach their full potential.

People in Lesotho understand the importance of education, and it is valued in their schools. Both teachers and pupils are enthusiastic about education and its transformative power. I wish we saw that more often in some UK classrooms; I never heard a pupil in Lesotho say to me, "I'm bored." I would love never to hear such a comment in the United Kingdom.

The hon. Gentleman mentioned the links between schools in Wales and in Lesotho. I commend the Department for International Development for focusing over many years on global schools partnerships, which have been positive as far as Wales is concerned. I particularly commend the fact that the partnerships require commitment from UK schools to work with schools in developing countries, so that they can learn from each other. What I have seen in the Wrexham schools involved in the project is a strong sense that not only is Lesotho learning from us, but we are learning from Lesotho.

That is an important part of the process of developing the global schools partnerships; the schools are working together. Countries at completely different stages of development are engaging and working together to confront the problems of developing countries and the

[Ian Lucas]

developed world, and that engagement creates a much stronger understanding of what developing countries' problems are.

That understanding is transmitted not just between staff but between the pupils who are fortunate enough to visit the others' country. Perhaps I should declare a sort of interest: my wife is a schoolteacher just outside my constituency, in Clwyd South, which recently had a visit from some schools in Lesotho. That link has developed over three years. It has added hugely to the understanding of those in the senior school, as well as those in the two Wrexham primary schools involved, and it has massively benefited our experience and knowledge of international development.

DFID has played a major role in that. I know that securing finance for the global schools partnership is demanding and requires a lot of commitment. There is an element of form-filling that is not popular with the applicants, but it is positive in that it requires those applying to think constructively about how they approach the global schools partnership and how they can engage, for benefit in two directions, in the work being done.

The link between Lesotho and Wales is massively important, and it is keenly felt in Wales. Established some years ago, it has developed hugely and is important in both countries. Lesotho is somewhat similar to Wales in that it is dominated by a slightly larger neighbour. Lesotho has South Africa; Wales, of course, has England. I think that Lesotho sometimes feels a little undervalued by the UK Government—for example, when its high commission closed. It supported the movement against the South African apartheid regime, but was not valued as much as it should have been.

The DFID office in Maseru is the only UK Government presence in Lesotho and it is greatly valued. It would be a major step backwards if there were any thought of closing that office because it is the only representation that we have in the country. For many years, Lesotho was our window into southern Africa. It was a place where people sought refuge from the apartheid regime and that offered assistance to people from outside who were threatened by the appalling policies of South Africa at that time.

Mr Andrew Smith (Oxford East) (Lab): I congratulate my hon. Friend on securing this important debate and commend the links with Wales to which he has been referring. I strongly support the remark that he has just made about the value of DFID's presence in Lesotho. On the overheads involved in aid programmes in relatively small countries, the last evaluation report on DFID aid to Lesotho that I was able to find referred to the importance of partnerships with other European donors and better close working with the Foreign and Commonwealth Office. Would he care to comment on that?

Ian Lucas: My right hon. Friend is absolutely right. I know that both Germany and Ireland contribute to development in Lesotho and have been very active in the country—along with China, which is also becoming an increasing presence in Lesotho. The link with Wales is really valued within Lesotho. In celebration of the links between the two countries, the Queen of Lesotho recently visited Wales and went to a school in Penley to see the development of the global schools initiative. She saw how well that project is progressing and how much benefit both countries are securing from it.

If we are to have a partnership, it is crucial that the Government do not withdraw from activity in Lesotho and that they retain their presence there. We need to have a presence to facilitate the involvement of more private sector and non-governmental organisations, because the need in Lesotho is massive. I have already referred to the rate of AIDS infection within the country. That is a major problem with which Lesotho has to cope in a way that few other countries do. That issue requires our immediate attention. We all understand that there are tough times at home, but the people of Lesotho are having a tougher time. They have a massive rate of HIV infection in their country, and it is draining away enthusiastic young people who are keen to get on.

Guto Bebb: That is an important point. I support the hon. Gentleman's call for the UK representation in Lesotho to continue. We talk about the big society and, in a Welsh context, this is very much a big society project. Community groups have come together—Merched y Wawr, the Women's Institute and so on—to raise money, and the Welsh Assembly has embarked on support funding for the project. However, none of that would have been possible without the facilitation of UK Departments. A successful partnership approach has created an enthusiasm for a country that, previously, few people knew much about in a Welsh context.

Ian Lucas: That is absolutely right. It is impressive that public, private and charitable sector organisations have come together to show their commitment to developing links between Wales and Lesotho. I commend the Tory-Lib Dem Government for maintaining DFID's budget, because I know that there are pressures from sources within both parties to end such protection.

Within that context, we must prioritise the investment that is made and recognise that voluntary links between Wales and Lesotho have been established over many years. The Government have supported those links, which need to be fostered, encouraged and developed. Through education, to which we have already referred, capacity is starting to be developed within Lesotho. Governance also needs to be improved—a common theme across many developing countries—but progress is being made.

The past two to three years have been a very difficult period across the world, but that is particularly the case for developing countries. Now is not the time to step back from supporting a country such as Lesotho. We should build on the strong links that already exist between Wales and Lesotho and encourage more contact. We should certainly not withdraw the UK Government presence in the country.

11.15 am

The Minister of State, Department for International Development (Mr Alan Duncan): I thank the hon. Member for Wrexham (Ian Lucas) for initiating this important debate. It is clear that global poverty is an issue about which hon. Members care deeply. Britain can be proud of that. I am proud that the coalition Government have not merely reaffirmed Britain's commitment to meet the

goal of 0.7% of gross national income spent on aid from 2013, but that they have reflected that in concrete terms through the recent spending review.

The hon. Gentleman is absolutely right to speak of Britain's important relationship with Lesotho. Our relationship has a long and complex history. Back in 1868, Lesotho became a British protectorate under Queen Victoria and, in 1966, the Kingdom of Lesotho gained its independence from Britain. We now value Lesotho as a fellow member of the Commonwealth and, in 2008, Lesotho attained lower middle income status. Considering that long-standing relationship, I was pleased to learn of the personal links to the country maintained by the hon. Gentleman and his interest in the country's development. I confess I never quite expected ever to hear in this Chamber the words "Wrexham twinned with Lesotho"—although I appreciate that there is a wider Welsh interest—and I am slightly envious that he was able to welcome Queen Masenate Seeiso to his constituency. That trumps me.

There are good reasons for all of us to be interested in Lesotho's development. It is the fifth most unequal country in Africa and, as a result, poverty remains widespread and deep. Some 30% of people are living on less than $1 a day. Food insecurity and hunger mean that 41% of children under five years old are stunted, and Lesotho has the third highest HIV rate in the world, with almost one in four people living with the virus. The British Government are committed to using the wide range of tools at our disposal to champion justice, fairness and prosperity for the poor people of countries such as Lesotho. That includes not only our bilateral aid programmes but, often more significantly, our work through the EU and the World Bank, debt relief, trade facilitation, skills transfer and more.

In that context, let me comment first on DFID's bilateral programme in Lesotho. The programme is relatively modest in scale at some £3 million per year, which is less than 2% of the overall aid that Lesotho receives. However, the programme has changed many lives. For example, our support in preventing and treating HIV and AIDS among workers in the garment industry—predominantly women—has reduced HIV prevalence in young female factory workers from 37% in 2007 to 29% in 2009. We have doubled the uptake of HIV testing by garment factory workers over the same period. An increase of £1 million in support to that programme over the year ahead will help to improve women's lives, tackle a major cause of maternal death and support private sector growth by sustaining a healthy work force.

However, our bilateral support is much less than the substantial total funding—about £10 million each year—we provide to Lesotho through multilateral channels, including the EU, the World Bank, debt relief and international NGOs. We are stepping up our scrutiny of the performance of those partners around the world to ensure that UK aid is well spent.

It is also abundantly clear that the future of a land-locked country, such as Lesotho, cannot lie in aid alone. It will lie as well in Lesotho's ability to trade with neighbours and Africa's ability to trade with the rest of the world. The Prime Minister has made clear his commitment to supporting Africa's ambition to establish a free trade area, thus freeing up trade between African states and with the world more widely. We are pursuing that aim through support to improve road and rail travel and to reduce the cost of trade across the region.

Mr Andrew Smith: We all support the goal of free trade in Africa and elsewhere, but does the Minister accept that, given the high proportion of Lesotho's income that comes from custom dues, there will have to be a careful process of transition so that those revenues can be made up?

Mr Duncan: I accept that any establishment of a free trade area will have to look at such matters, and the right hon. Gentleman is right that existing patterns have to be taken fully into account when looking at a future goal.

Britain has a long history of skills transfer to African partner countries. For example, the British Council has provided Chevening scholarships to Lesotho for many years, and the British Government are committed to scaling up that programme over the years ahead.

I began my comments by reiterating the Government's commitment to overseas development and poverty reduction. We should acknowledge the level of responsibility that we take on as a result of that commitment: the responsibility to ensure that we can demonstrate 100p of value for every £1 spent; the responsibility to ensure that UK aid is spent where it can make the most difference, tackling the problems on which the UK can have greatest impact; and relentless discipline, thrift and focus on value for money, which is essential in everything we do.

Ian Lucas: On value for money, I commend to the Minister the global schools partnership, which, from my personal perception, has tremendous value, particularly in creating strong, lifelong bonds between individuals in the UK and developing countries. I ask him to stick with that project, because it is a good one.

Mr Duncan: I hear clearly what the hon. Gentleman says. Global partnership can be one of the most effective ways of delivering aid at the lowest possible unit cost. It can be a highly efficient delivery mechanism and will remain an essential part of the menu of DFID's activities around the world. The key to that is value for money and stretching every pound as far and as effectively as possible.

That is why in June this year my right hon. Friend the Secretary of State launched reviews of all bilateral, multilateral and humanitarian work undertaken by DFID. The aim has been to target our aid where the need is greatest and where the impact will be greatest. Ministers are currently considering the findings of our bilateral aid review and consulting with ministerial colleagues on how to take our recommendations forward. Our development relationship with Lesotho will reflect the choices that we have had to make in those reviews so that we can maximise the impact of our development spending. That will take account of the representations that have been made on behalf of Lesotho, and I have taken careful note of everything that has been said in today's debate.

There are many pressing needs in Lesotho, and our aid over the years has played a role in helping to meet some of them, alongside a number of other donors.

[Mr Duncan]

Our responsibility now is to ensure that Britain's contribution to development is as effective as possible in future, through the choices we make—this is the crux of the debate—about our bilateral programme, about our support for the work of partners through multilateral channels and about the nature of our relationship as a whole.

One thing is certain: whatever the shape of our development support for Lesotho in future, it will reflect in some form the deep regard in which we hold Lesotho and its people, a regard that is clearly shared by many in this country, as has been articulated clearly this morning by the hon. Member for Wrexham.

11.24 am

Sitting suspended.

Independent Retailers

[Mr Mike Weir *in the Chair*]

2.30 pm

Mr Geoffrey Cox (Torridge and West Devon) (Con): It is a pleasure to serve under your chairmanship, Mr Weir, and to have secured this debate on so important a subject. I welcome my hon. Friend the Minister to his position—this is my first opportunity to do so on the Floor of the House—and I know he will fill it with considerable distinction. When occasionally I give the odd, not criticism but constructive prod, I hope he will forgive me and take it in the spirit in which it is intended.

This afternoon is an opportunity for friends of the Government—those who support them—who represent market towns and town centres all around the country to draw to their attention the important predicaments, problems and issues that business people, particularly small business people and independent retailers in high streets and town centres, have confided in us. A great deal of hope is reposed in this Government.

On Monday, I attended a business breakfast with the Tavistock chamber of commerce. Broadly speaking, my experience is that local business people in my constituency—I would expect this to be replicated throughout constituencies in the south-west and beyond—are understanding of the Government's economic policy. They perceive that dealing with the financial crisis that we inherited was the overwhelming priority for this Government. They understand that the necessity of controlling the deficit and getting on top of it was all-consuming, and that for the past six months Ministers in the Department for Business, Innovation and Skills, the Treasury and throughout the Government have been concentrating on that essential task.

Business people in my constituency are now looking for what the Government will do to stimulate growth. What will they do in terms of the range of measures available to them, given that they are hedged in by economic circumstances? What can they do to foster prosperity and to enable businesses to get going, which they will if they are given the means?

In respect of the high street—which I intend to concentrate on this afternoon, specifically high streets in market towns, four of which I represent—I want to have a word or two with the Minister and recommend several things. In doing so, I shall crib shamelessly from the Conservatives' commission into small shops in the high street, on which I had the privilege of sitting, and which reported in July 2008. I am delighted to see in his place its distinguished chairman, my hon. Friend the Member for Northampton South (Mr Binley), who presided so expertly over that meticulous examination of all the issues that affect independent retailers. The commission included many people of great expertise, and I commend it to the Minister as a template for Government policy on this important subject, at least at the beginning.

The distinctive character of a town—its sense of place and individuality—is substantially created by the diversity and quality of the retailers on the high street who provide personal service and much of the town's variety and interest to visitors. Empty shops, an increasing

number of charity shops and dilapidated town centres affect the morale of a community. They deter visitors and lead to further decline. Last year, 12,000 independent shops closed.

I unashamedly declare that my focus today is on the market town. I have four of them in my constituency: Tavistock, Holsworthy, Great Torrington and Bideford, each with its own unique identity and traditions, and strong communities. Their business people are resourceful. In Holsworthy, they have joined together under the banner of the chamber of trade to create the Holscard, a loyalty scheme that entitles members who sign up and obtain the card free of charge to discounts and special offers.

Each year, the Tavistock food festival attracts a large number of local food producers who show off the extraordinary variety, sophistication and quality of food that our area has to offer. The chamber of commerce and other business organisations are active in supporting events that enhance the vitality of the town's appeal to visitors. This Friday, Tavistock will have its Dickensian evening, which I strongly recommend to the Minister. It is great fun, and it heralds the real start of Christmas festivities in the town. The main streets are closed to traffic, all the shops are open until 9 pm, and the chamber of commerce organises a vast range of different activities: choirs, brass bands, a woodwind band, a fire eater, jugglers and morris dancers, to name but a few. Many of the shopkeepers dress up in Victorian costumes and hand out mulled wine to their regular customers as a way of thanking them for their custom throughout the year. There is a serious purpose to the evening. It attracts 12,000 visitors to the town who spend money in the local shops, and many return throughout the year. The town is also in the process of setting up a business improvement district.

Great Torrington's rich civil war history provided the backdrop for its community development trust to set up Torrington 1646, a fascinating historical "time machine" which takes visitors, including schoolchildren, back to the days of the civil war and allows them to experience life in the town during that era. The trust has refurbished the Victorian pannier market to create a modern retail space and has enhanced the appearance of the town centre.

The Bideford 500 project to rediscover and promote the proud history of the town is well under way. It was in and from the port of Bideford that Grenville built his ships and set sail on his Elizabethan adventures, and some of the first settlers in America also started from there. The project complements the Bideford regeneration initiative that will redevelop important sites around the town.

I mention those few examples of the initiative, ingenuity and activity of local business people to demonstrate to the Minister that those communities have not sat back and declined to take responsibility for their own future. They are not without the will to seize control and to take into their own hands the initiative and responsibility for improving their lot, but they have not always felt that the Government, both local and national, have been on their side. It is to that end that I urge the Minister, after just six months in government, to bend his intellect and the resources of Government.

Times are tough. Small independent retailers and many other small businesses face increasing competition from the internet. They face often unfair competition from supermarket giants with their free out-of-town parking, and their ability to sell below cost to persuade customers through the door while they recoup the cost on other products. The Office of Fair Trading reported in 2006 that 1.8% of grocery lines were sold below cost. That sounds a small amount, but shrewdly shifting discount offers from product to product is a powerful commercial tool that represents a major disadvantage to independent retailers in the high street, as my hon. Friend the Member for Northampton South noted in the small shops commission report. In addition, of course, businesses cannot escape the inevitable difficulties of the prevailing national economic situation. Next year, VAT will rise to 20%, fuel prices are high, and shoppers are drawing in their horns and spending less.

As I said, I attended a business breakfast with members of the Tavistock chamber of commerce on Monday. I found a ready recognition of and support for the Government's compelling priority of mastering the unprecedented peacetime deficit left by Labour. Not a single voice was raised against that Government policy in this crucial regard. The overall direction of our national economic policy is fully understood and supported by small business people.

I know that the Minister, together with my right hon. Friend the Chancellor of the Exchequer, is now concentrating on the measures necessary to stimulate and facilitate the private sector growth that will be essential to our economic recovery. The Minister's Department will be central to that mission, as will others, and I venture to suggest to him that there needs to be concerted and co-ordinated action, in which all Departments, as well as local government, play a part.

In respect, however, of the vital need for leadership and the critical importance of local and national Government co-operating to support small businesses in town centres and on high streets, I have found apprehension, based not on the abilities of our Minister or on the willingness of our Government, but on experience of the previous Government. Small businesses are apprehensive about the necessary leadership being there to support the work they are doing to improve the situation. One local business man joked that the best way to start a small business under Labour was to buy a big one and wait. I am confident that the Minister and this Government will not be found wanting in that regard.

Mr Brian Binley (Northampton South) (Con): It is a great pleasure to serve under your chairmanship, Mr Weir.

Does my hon. and learned Friend agree that local government has, in fact, a major part to play in aiding small businesses? We have seen parking charges increase to the point at which they are stopping people coming into town centres, and there is no ability to stop and shop for a short period. There is piecemeal planning, which cuts out small units for people to start up, and there is an unrealistic attitude to rateable values, which is not directly related to local government but related to government more generally. Out-of-town development has become a much more valuable area in which to do business than many of our town centres, and yet town centres are still rated very highly. I could go on, but do we not need to draw to the Minister's attention the import of local government, and the fact that it has hampered small and medium-sized businesses in our town centres for a considerable time?

Mr Cox: As ever, I, regard my hon. Friend's points in this, an area of expertise for him, as compelling and significant. There is no doubt that local government has a very important role to play, but national Government must give the lead, and I urge the Minister to act on that. We do not often talk about big measures but we often talk about small ones, which cumulatively can become a powerful support to high street shops and businesses. Planning is one example. Less than 40% of new retail space planned for the next 10 years is for town centres. The abolition of the need test for out-of-town supermarket developments in planning policy statement 6 was a retrograde step. I fully support that test and I urge the Government to consider restoring it, and I urge the Minister to discuss the matter with the Secretary of State for Communities and Local Government.

We should go further and consider inserting a diversity test into retail planning guidance. Small shops might have their own use class, so that they could receive the special consideration that their function on the high street deserves. Changes to the planning system regarding the need test, sympathy shown to small shops via the creation of their own use class, and a diversity test that would impose on planners the need to consider the balance between local independent retailers and vast out-of-town supermarket businesses and to give weight to the need for diversity on the high street, would be a positive step forward.

Jo Swinson (East Dunbartonshire) (LD): I am listening to the hon. and learned Gentleman with great interest, and I congratulate him on securing the debate. What he says about planning is absolutely right, and it is not just about large out-of-town supermarkets. In Milngavie in my area, we face a potential Tesco Extra right in the middle of the town, with another massive supermarket possibly in Bishopbriggs, and the small traders in those areas are very concerned about the potential impact on the viability of their businesses. The hon. and learned Gentleman might find that that is also the case in other parts of the country.

Mr Cox: My hon. Friend's experience is, I think, replicated in dozens of constituencies around the country, and I fully understand her concern. What I am asking for is a co-ordinated approach. The Departments for Communities and Local Government and for Business, Innovation and Skills, and the Treasury, need to get together and think about the high street as a separate issue. That would include looking at planning decisions and guidance, and considering what we could do about charity shops, for example.

Simon Danczuk (Rochdale) (Lab): I, too, congratulate the hon. and learned Gentleman on securing this very important debate. I also congratulate the Government on producing their document about a health check in town centres and on the high street. It is a valuable document, and of good use.

On charity shops, I had a look at the hon. and learned Gentleman's website before I came here today. It rightly says that charity shops are better than empty shops, and I agree, but the proliferation of charity shops in my constituency of Rochdale has reached the point at which they become a problem. So in respect of planning regulations, I urge the Minister and the Government to consider giving local authorities the power to determine the number and location of charity shops in their areas.

Mr Cox: I agree with the hon. Gentleman, to a large extent. The main issue that I have heard is that charity shops are selling new goods. More and more charity shops are setting up on the high street, and instead of selling the donated goods of many hundreds and thousands of well-wishers, they are selling a whole range of brand-new goods—often sports goods and clothing.

It is not hard to understand the chagrin, confusion, dismay and disappointment of a shopkeeper, selling the same product lines, on hearing that the charity shop next door has been given not only the mandatory 80% relief, but the other 20% that the local authority can give. The charity shop might, therefore, be paying no rates at all. Its waste is treated as commercial, but the private shopkeeper is unable to have their waste treated thus, and it would seem to the struggling shopkeeper—who, after all, will be here in many years and is supplying a vital service for the community, bringing about a sense of well-being and contributing to the local economy—that the playing field is not even.

I do not suggest, as the hon. Member for Rochdale (Simon Danczuk) noted, that we should be anti-charity-shop, but I do propose to the Minister that we need to look at a protocol for local authorities, which would allow them to consult local shopkeepers about the product lines that might be sold in a charity shop. Such consultation would help, but equally we need to look at whether charity shops that are selling brand-new goods should receive the rate relief that they currently do.

Andrew George (St Ives) (LD): Does my hon. and learned Friend not also agree that on the non-regulatory side there are things that the Government could do, simply by using their influence? For example, there is the established practice of upward-only rent reviews, which informs the rates charged in town centres. I urge him to highlight that issue and, on the regulatory side, to ensure that the free parking from which out-of-town retailers benefit is properly valued, because of the consequences that it clearly has for their competitors in town. Free parking gives out-of-town retailers an enormous advantage, and that is not properly reflected in their rating levels.

Mr Cox: My hon. Friend has, with uncanny empathy, predicted my next set of points, although he did not express them with the same eloquence as I would have, and probably not the same passion. I shall, therefore, go on to make the points, and a few others besides.

Rents and rates are a vital issue for high street shops and independent retailers, and my hon. Friend makes a very powerful point about upward-only review clauses. I would welcome the Government's investigation of that issue, because the Conservatives' commission into small shops in the high street recommended that we examine it to see whether we could make inroads into the unfairness. I want, however, to come on to rates.

I hear about planning, rates and charity shops, and rates come up time and again when I talk to small businesses in my constituency. The system is byzantine; it is incomprehensible. Walking into a local business, I sometimes find that the pub or petrol forecourt, for

example, has had its rates lifted by thousands of pounds in the past year or two. In 2009, there was a 5% rise for inflation. A transitional relief scheme came to an end, so shopkeepers and business people were hammered by large rate rises.

However, the small business rate relief has not kept pace. Many businesses that are regarded as small—we would all regard them as such—are no longer covered by the relief. I urge the Government to consider raising the threshold for that relief. The Government could, importantly, immediately and urgently, translate the Conservative manifesto commitment, with which I have no doubt my Liberal Democrat friends will agree, to make small business rate relief automatic. It should not depend on an application. The rate authorities are able to see whether a business complies with the conditions necessary for small business rate relief, so why do they not simply apply it?

I implore the Minister to lend impetus to our examination of this issue. If we can raise small business rate relief, increase its threshold and make it automatic, we will do a lot to cause a sigh of relief up and down high streets.

Chris Ruane (Vale of Clwyd) (Lab): I congratulate the hon. and learned Gentleman on securing this debate. I share many of his concerns. Does he believe, as I do, that many small businesses in our town centres face a double whammy when a national chain locates in the town centre, often selling the same products as smaller companies, but at a lower price? The rates for those smaller companies increase because the big national has come into town and allegedly increased the footfall. So those smaller companies lose both ways: their rates go up and their ability to sell cheaper goods goes down.

Mr Cox: I do not want this debate to appear a depressing, gloomy litany of problems for the high street. I prefaced my remarks with the kinds of initiatives that communities throughout the country are showing—business improvement districts, taking on regeneration and community trusts—as they fight to sustain their towns and town centres. All communities will have a similar interest.

I agree with the hon. Member for Vale of Clwyd (Chris Ruane). The small business in the high street needs special consideration from the Government. That is why I make my proposal to the Minister today and ask him to reflect on it.

On Monday, I met representatives at the Tavistock chamber of commerce and one trader said to me, "Mr Cox, 25 shops in Tavistock are currently unoccupied. Why should we not grant a rate-free period for a small business that is willing to take on one of those shops, with phased gradations up to the full sum, say, over three or four years?"

The Minister could adopt that measure, which would greatly benefit businesses setting up in our market towns throughout the country. Nowadays, they could probably get a rent-free period, but why not enable the local authority to grant a rate-free period? If we did that, it would be a small measure, but its overall effect would be disproportionate and would impact on the confidence of businesses to enter the high street, off-setting some of the difficulties that the hon. Member for Vale of Clwyd mentioned a moment ago.

Paul Uppal (Wolverhampton South West) (Con): May I thank my hon. and learned Friend for securing this debate? The gist of his speech is specifically about market towns, but my constituency is particularly marked by the number of empty shops. The point that he mentioned has been raised by shopkeepers, entrepreneurs and landlords in the centre of Wolverhampton. Giving relief on empty shops when new tenants are coming in would be a constructive way to take the issue forward.

Mr Cox: I agree with my hon. Friend. In fact, I would go further and place in the hands of local councils the ability to grant a temporary rate relief for new businesses.

My right hon. Friend the Chancellor of the Exchequer has already introduced in the Budget a number of measures for new business and start-ups. It is a critical priority for this Government. But we could help shops setting up specifically in the high street. They are so valuable and important to the overall welfare and well-being of the towns that we represent. It would be a simple measure that would, cumulatively with others, have a powerful impact. I want to mention other measures, but I want to sit down soon because I am interested in hearing the experiences of other hon. Members.

The measure that I have proposed is consistent with the overall philosophy of this Government, which is to place into the hands of local communities' councils the power to do something about the fabric and infrastructure of their communities. I urge the Minister to consider that measure.

Whenever one mentions high street shops, issues arising always include parking. I am dismayed and disappointed at how often local authorities, particularly county councils, seem to use parking as a generator of revenue. Time and again the national Government have urged local government—often with a measure of disingenuousness, given the fact that they have starved local government of the means with which to do its work, while piling extra responsibilities on it—

Chris Ruane: Will the hon. and learned Gentleman give way?

Mr Cox: Not now. I will come back to that.

Chris Ruane: It was going to be about starvation.

Mr Mike Weir (in the Chair): Order.

Mr Cox: This is not meant to be a partisan point. I am not, on this occasion, having a jab at the previous Labour Government. I apply this point to all Governments.

So often, Governments say to local government, "You should be doing this and that", but do not provide the wherewithal for local government to do it. Local government has to understand that it is no use proposing new and ever-increasing parking charges and not expecting to deal a blow not only to the morale and confidence of traders, but to their economic interests.

Good parking, easy access and quick-stop parking, as the commission headed by my hon. Friend the Member for Northampton South called it, are vital to the health of the high street. It is essential that, in our constituencies, local government consults traders, stands by their side and designs parking and transport systems in a way that

[Mr Cox]

helps traders and does not simply generate cash from the consumers and customers on whom they depend. That is an easy statement to make.

I am dismayed that Devon county council, a Conservative council, proposes parking meters throughout the county towns even though that is inappropriate in some towns. Towns are struggling on the edge—the precipice—of economic viability, and to add extra charges for parking when people could go down the road to out-of-town free parking, as the hon. Member for St Ives (Andrew George) mentioned, is an extraordinarily crass, clumsy action. I urge Devon county council to think again or at least ensure that its consultation is real and that it tailors any parking schemes to the economic interests of the high streets in the towns on which it intends to impose those charges.

It is vital that we get parking right. Not only must we have a sensible parking regime, with different structures for times of day and the ability to park free for up to an hour, which are vital, but it must be enforced sensitively. How many times, when one goes to the local town council—hon. Members may have heard this—does one hear them say, "If only we could just enforce these things relatively flexibly and intelligently"?

The memory of getting a £40 or £60 parking ticket in a town stays with the visitor. They are not likely to look favourably on the town if, after a few minutes, they get a parking ticket for overstaying. It is crucial that local governments understand such things, and I believe that the national Government can set a lead with advice and guidance.

To that end, I agree with the hon. Member for Rochdale, who mentioned the high street health check issued by the Department for Business, Innovation and Skills. That is an interesting innovation; I do not believe that it is anything more than a start, but it is certainly worth doing and I urge the Minister to follow it up. I have read the document with interest and it touches on some important issues. We need that kind of leadership. We need local leadership supported by local authorities and underpinned by encouragement and leadership from the Government.

This should be a crusade. I want to paint for the House a picture of the Minister on his white horse, dressed in shining armour and shouldering his lance.

Chris Ruane: Lady Godiva.

Mr Cox: He does not have the hair to be Lady Godiva, although he has a fine head of hair none the less. Picture him riding out on his white charger, shouldering his lance and flying the flag for the high street. I know that the Minister is a Cornishman, and speaking as a Devonian, we look across the Tamar river with admiration, regard and not a little envy. The sum of £132 million is being spent on the good people of Cornwall—and by Jove they deserve it—joining up every village, town and community to super-fast broadband. The people of my constituency are like small children pressed up against the window of the pie shop, envying the sight of the riches within.

Broadband is important, and in Cornwall people are getting access to that wonderful opportunity—as a Cornishman, the Minister will be delighted with that. In market towns, high streets and small businesses in the wider area, broadband is crucial. However, in parts of my constituency, people can barely get half a megabit, and the best speed is about 5 or 6 megabits. We will look at speeds of 100 megabits in Cornwall. I do not know about Devonwall; we might even apply to join. Tremendous advantages can be conferred by broadband, and I urge the Minister to remember the Government's commitment.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): On that important point, is the hon. and learned Gentleman aware that more than half of small businesses rely on the internet for up to 50% of their annual turnover? It is crucial for the Government to bear that in mind.

Mr Cox: We can join across the House in the nicest possible way and agree that that is a critical issue for small businesses, not only in the high street but in the rural areas that I represent and in cities and towns across the country. It is a particularly important issue in Torridge and West Devon, where the broadband service is poor. Across the border, however, there will be a wonderful broadband opportunity. We are committed to rolling out fast broadband by 2015, and I urge the Minister to accord that due priority. A combination of those things will make the difference to the high street.

My hon. Friend the Member for Northampton South, who is no longer in his place, recommended in the Conservative commission into small shops in the high street that we should look at a community hub enterprise area that brings together all partnerships and schemes under one simple banner, thereby enabling the Government to support them. I commend the recommendations of that 2008 commission to the Minister. I humorously referred to him as a white knight, riding out in support of the high street. In his response, I hope that he will make it clear that that is what he intends to be.

Several hon. Members *rose*—

Mr Mike Weir (in the Chair): Order. Several hon. Members are seeking to catch my eye. I hope to start the winding-up speeches no later than 3.40 pm, and I hope that hon. Members will bear that in mind. Those intervening should remember that interventions should be brief. Some have been pushing the envelope a wee bit.

3.4 pm

Chris Ruane (Vale of Clwyd) (Lab): Apologies for my late arrival to this important debate, Mr Weir. As I said in my intervention, I share many of the concerns that have already been expressed.

Eight years ago, I convened a meeting on improving the retail sector within my constituency. I asked Professor Michael Carley of Edinburgh university to address my local retailers. He had just conducted research into 14 successful town and city centres around the UK, including market towns, seaside towns and inner cities. The meeting heard that a successful town centre needs three crucial things: first, it should feel safe; secondly, it needs to be clean; and thirdly, it needs affordable and accessible car parking—that point has been addressed in full by the hon. and learned Member for Torridge and West Devon (Mr Cox).

We have had 13 years of a Labour Government, but those issues have not been addressed in my town. It does not have a Labour local authority but an independent Conservative local authority, and although we have had the Welsh Assembly Government and 13 years of the UK Labour Government, the problems were not resolved. I hope that they will be resolved under this Government, although I fear that they will not.

Mr Cox: Cynic.

Chris Ruane: Absolutely. One reason is that local government faces a 40% cut to its budget. Many issues that need addressing, such as those of having a clean, safe environment, are functions of local government. In my area, Denbighshire, the funding will not be there. The local government is already offloading those functions to the town councils, but they do not have the funding either. If the environment is not clean, visitors will not be attracted.

We have made great strides over the past two or three years in my constituency. I could see the quality of the environment declining, so I put my town forward for "Wales in Bloom." That was before the big society was mentioned, but we got 60 local organisations such as schools, Churches, banks, businesses, Nacro and the probation service. They all pulled together, and we came third last year and second this year—hopefully, we will be first next year.

However, people will not actively take part in improving their local environment if they think that the local authority is passing the buck and saying, "Will you do this for nothing? We are not going to pay for it anymore." We cannot engage and have the big society if people feel that they are being used. A clean environment is essential, and the engagement of the public, private and voluntary sectors is key.

Let me pay tribute to the work of the probation service in my constituency. The community payback team has probably done as much work as local authority workers to improve the quality of the town. That is a great way to go about things. They are young men, and a few young women, who would perhaps have been sent to prison or an approved school. Instead, they were told to pay something back to the community where they committed a crime. Those people are tending the gardens, making the flower beds and engaging with the community.

If we are to reduce the number of prisoners, we need to get offenders working in the communities in which they committed the offence. I support the Government on that. I would not like to see people who have committed offences in poorer communities being taken away and made to work in a leafy suburb or town. I pay tribute to the community payback team that has done so much in my constituency to improve the quality of the environment, and to the local government workers who, on diminishing budgets, year after year, pulled out the plugs—indeed, planted the plugs—to make Rhyl the second best town for its size in north Wales according to "Wales in Bloom".

The second issue is that of a safe environment. The west ward in Rhyl had 900 houses in multiple occupation and a high crime rate. Over the past 10 years, that has come down dramatically and of the 376 crime and disorder reduction partnerships in England and Wales, the county of Denbighshire, in which my constituency is located, was the third best performer. That was done by adopting a neighbourhood approach to crime and disorder reduction partnerships, with everybody getting around the table together and saying, "This is not just a policing issue; it is about social services, education, prisons and getting people back to work." That is how we got on top of crime in my constituency and reduced it dramatically.

I do not want to be too party political, but we may be facing 20% cuts in policing. Last week, my hon. Friend the Member for Wrexham (Ian Lucas) joined me at a meeting with North Wales police. All the AMs and MPs in north Wales were invited, but I am afraid that no Conservative MP or AM attended. We were told that the number of police officers in north Wales will be cut by 200, from 1,600 to 1,400. The number of support staff, including police community support officers, will fall by 250. We cannot have cuts of that calibre without affecting front-line policing. I fear that the cuts will fall hardest in the poorest communities, where crime rates are highest. If we have these huge police cuts, that will make my task of helping to regenerate my town centre more difficult.

The third issue that I want briefly to address is affordable and accessible car parking. Again, the person in charge of the county's finances is a Conservative councillor. They control the purse strings and thought that it was a good idea to stick up car-parking charges, which grew and grew over 10 years. The authorities use them as a milch cow, but I fear that they have killed the goose that laid the golden egg. Statistics from my local authority show that car parking increased until about five years ago, but then steadily decreased. I would not mind if the authorities ring-fenced some of the money from the huge car parks in Rhyl to improve the environment in the car parks or the town, but they do not; they cream the money off and do not put it back into the community to improve the shops or the retail offer.

We have such things as loading bays. I am not sure whether anybody knows what a loading bay is—I do not. I do not know how long someone is allowed to stay in one, whether they have to put their lights on or whether they have to put a message in the window. However, people get fines time and again. As the hon. and learned Member for Torridge and West Devon said, they leave the town very disappointed. Local councillors have said, "These are seaside towns. We need to sting the visitors rather than the locals for the car parking." I do not think that we should be stinging anybody. We should look at car parking as a way of enhancing the retail offer in our communities, not as a way of punishing people or taking money from one area and gifting it to another.

That was just my short contribution on the environment, policing and safety, and car parking. If we can get on top of those issues, we will be doing well. I congratulate the Government on their excellent document, which I have only just seen and browsed through. It is a great little document, and I will take it back to Wales to see what we can do with it. Once again, I congratulate the hon. and learned Gentleman on securing this important debate. I hope that the Minister is listening, because we will be watching.

3.12 pm

Anne Marie Morris (Newton Abbot) (Con): After such a bravura performance by my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), it is with some trepidation that I contribute to the debate. This is a very worthwhile topic, and I would like to contribute my view that the solution is a matter not just of what local authorities can do or what the Government can do—as has been said, many of these issues are within the hands not of the Minister, but of a number of his colleagues. The solution is also in the hands of people. In that respect, we can look at the role that the big society can play for small business, because I think it has a place.

In the south-west, we have a high number of small businesses; indeed, 91% of businesses employ fewer than five people. This debate about the small retailer is therefore crucial to us. Unlike my hon. and learned Friend, I will include the small villages in my constituency—there are 30 of them alongside the four towns—because these problems also exist in those villages. Small retailers, particularly in those small villages, are the lifeblood of their communities. They can be like the local pub, which is too often long gone. They can also be like the local post office, which is, again, too often long gone. I am therefore pleased that local residents in Stokeinteignhead have come together to found and now run a volunteer system to keep the local shop in their community. That helps elderly residents, who will come in—perhaps a little confused—to do their shopping. The shop also produces newsletters. It does all sorts of things that mean that that small retailer is at the core of the community. I reinforce the points that have been made about colour, diversity and, indeed, identity, which we need to retain not only on the high street, but in villages. That is a key issue.

The Independent Retailers Confederation has looked at the issue and come up with a number of thoughts, which I can perhaps share with the Minister. The confederation represents 100,000 small businesses, which is no small number. It has categorised its findings into five key areas. I will not spend a lot of time on each area, because hon. Members have already covered a lot of these points very well. In fact, there are six areas, and I want to explain what they are. They include planning, which we have touched on; skills training, which we have not touched on, and which I will come back to; regulation, which we have touched on in part; crime, which we have also touched on in part; and access to finance. To that list of five, I would add taxation. Business rates must, of course, be key. I will go briefly over each of those subjects.

On planning, there is clearly an issue about the power of the supermarket. There is also the issue of charity shops, which has been well rehearsed. When the Secretary of State for Communities and Local Government begins to look at the overall shape of planning, I want him to consider localism and the power that he intends to give to local communities to make proposals for plans and for what they should look like. I would encourage him to ensure that the plans consider not only housing, but businesses. We will help to shape the planning of our communities if those plans look at businesses as well as residential. If they do that, they will say, "We want one supermarket here, not two." In one town in my constituency, Dawlish, we have an ongoing battle between Tesco and Sainsbury's, which is a waste of taxpayers' money and deeply frustrating for local residents.

I would also commend the greater use in our communities of the community land trusts. We look at them just as vehicles for residential, but they are equally appropriate in this context. I would encourage the Government to market such things better and to explain to local communities what they can already do.

On parking, which, if I may, I will envelope within planning, there are a number of very good schemes in other parts of the country—I regret that they are outside Devon—that combine the idea of a loyalty card with the idea of sharing parking. I absolutely take on board the point that local authorities will often use parking as a milch cow. However, there are schemes that allow shops, working with the local authorities, to increase the revenue and put some of it back into the local community. I commend those ideas.

Jim Shannon (Strangford) (DUP): Does the hon. Lady agree that of all the six critical factors that she is speaking about, parking is the most important, because it shapes what happens in the town? There is not a one-hat-fits-all approach, whether we are talking about out-of-town, out-of-town-centre, in-town-centre or off-town-centre parking. The chamber of trade must be involved in these issues. There is also the issue of the connection between the centre of the town and the edge of town and the issue of regeneration. There are many things to be done, and the same hat does not fit everything when it comes to planning.

Anne Marie Morris: I thank the hon. Gentleman for his contribution. I think that that is an issue, but it is not the most important one, as I will explain.

The second issue is Training Access to training for retail skills is pretty rare. I am pleased that South Devon college, which is in my constituency, has a course on retail skills, and I would like the Government to encourage more such courses.

Let me move swiftly on to the third issue, which is regulation. As I am sure many Members are aware, it is estimated that it takes the average retailer seven hours a week just to deal with regulation, and that can cost them anything from £100 to £10,000 a year. This is about not just employment regulation, which is clearly one of the most onerous issues, or health and safety, but issues such as the minimum wage and how pension schemes will change. We need to look at the perhaps unintended consequences of the new shape that regulations will take when the Government put them forward.

The fourth area is crime. This is probably a well-known statistic, but crime and theft cost the retail sector £2 billion a year nationally. Two issues have been raised by the Independent Retailers Confederation: one is antisocial behaviour, which has been covered by the hon. Member for Vale of Clwyd (Chris Ruane); the other is theft. The challenge in dealing with the problem is that a theft does not happen until the culprit leaves the premises. How many small shopkeepers wait until the individual has left the shop to apprehend them? The answer is that they do not. They keep the individual there and call the police. The result is that there is no prosecution and police time is not particularly well used. There must be

a better reporting method, and it must be possible to find a legal approach that is a better deterrent than the system we have now.

I am saddened that only two of the large banks are making significant progress with the lending guarantee scheme, and I look to the Minister to encourage more on that front. However, something that the banks suggested, which I think is very helpful, would be the introduction of a new mentoring system that would ultimately replace, in a way, much of what Business Link, which is being phased out, used to provide. That would provide excellent support for the retail sector. I suggest that such mentoring should be something we can see—the big society for small business in action. In my constituency I have considered getting local businesses together and asking them to help each other. Business surgeries are being set up, and local business men and women, as well as local banks and others, will be involved.

We are also setting up a group of individuals who will act as one-on-one mentors—not expensive, paid-for, qualified mentors, but local business men next door to other local business men. For example, the other day a business man wanted to become VAT deregistered and did not know how to go about it; a colleague had the answer. There are all sorts of things that we can do, and politicians can play a role in our communities. I am pleased to say that I have a great deal of support from my local chambers of commerce.

Rehman Chishti (Gillingham and Rainham) (Con): I am pleased to serve under your chairmanship, Mr Weir, and congratulate my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) on securing the debate. Given that banks are not lending as much as before, and small business is being starved of cash, does my hon. Friend the Member for Newton Abbot (Anne Marie Morris) agree that stricter regulation is needed in relation to corporations having to pay suppliers within a very short time? Often, smaller businesses get penalised much more for delays in paying tax and VAT. Does that need to be reviewed?

Anne Marie Morris: That is a valuable contribution on an important issue, and I am sure the Minister and his Treasury colleagues will take it into their thinking.

My hon. Friend's intervention leads me neatly on to taxation and business rates. I take on board the points that were made earlier about timing, and the fact that we have revalued at exactly the wrong time, when the market is in recession, with figures from when the market was at its peak. I am sure that the Minister and his Cabinet colleagues have taken that on board and will consider it. However, I offer congratulations to, I think, the Treasury team, on thinking about a holiday—100% relief—between October this year and next September from business rates where rateable value is less than £6,000. That is an excellent thing to do, and I commend it. I would like that to be extended, if it works well.

Hon. Members will be pleased to hear that I have now covered my six areas.

Guto Bebb (Aberconwy) (Con): Many retailers, especially in my constituency, which is very dependent on small businesses and retailers, feel frustrated because when Governments—of all colours—decide to help them, they often do it by promising to reduce corporation tax. However, small businesses are often sole traders and partnerships. There is great frustration because, when corporation tax is reduced to help small businesses, they face increased national insurance contributions.

Anne Marie Morris: I thank my hon. Friend for that intervention, which follows on from one I made in the House yesterday. I agree that small businesses need some help. I should like the holiday that has been extended to new businesses to be extended to what I would describe as micro-businesses—those small businesses with one or two employees that find it a significant challenge to take on a third employee. I entirely understand his point.

There is much to be done. The sector is a very valuable one. May I commend to the Minister the idea that there is such a thing as the big society for small business? He might want to consider how to promote that. Finally, micro-businesses deserve particular attention, and the retail sector provides a good example. There is a very large number of such businesses, and whether the issue is tax or regulation they need special care and consideration.

3.25 pm

Mike Weatherley (Hove) (Con): I, too, congratulate my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) on securing the debate, and on a vibrant speech.

Adam Smith, the father of modern economic theory, asserted that Britain is a nation of shopkeepers.

Chris Ruane: I thought it was Napoleon.

Mike Weatherley: The Opposition may disagree about who said it first, but I assure them it was indeed Adam Smith.

It remains widely recognised that the small and medium-sized enterprise sector today will play a pivotal role in the recovery of our economy—and rightly so. All hon. Members will be familiar with tales of the local independent retailer who goes that extra mile to take care of their community. They provide essential services and fulfil the retail needs of those who are less mobile and most vulnerable. The idea that independent retailers are the heart of communities will not come as a revelation to most hon. Members present for the debate—if it does to any of them. Despite that, in February this year the Local Data Company reported in a study that one in eight high street shops lays empty.

The economic slowdown clearly had a role to play in the shuttering up of our independent high streets, but there are far more fundamental causes, which will not reverse with the advent of economic recovery. The report cited a combination of rising business rates, soaring rents and draconian parking restrictions as being to blame, and I know from speaking to my constituents in Hove and Portslade that the study paints a pretty accurate picture. However, my constituents would all add one key issue to the list: the massive over-regulation that the sector endures. Government's role is to ensure that causes are identified and that there are market conditions that foster an independent retail sector. There is a balance to strike between deregulation

[Mike Weatherley]

and positive and protective legislation. I believe that the Government's challenge is to sift through the deluge of regulation that we inherited.

Some hon. Members may know that I have recently been vocal about the tobacco display ban. To recap, that legislation was brought in without the benefit of a small business impact assessment. The cost to the independent retail sector of implementing it is assessed at £33 million. Independent analysis shows that in countries where the ban is implemented small shops are disproportionately affected and there is no health benefit. Indeed, it is estimated that 2,600 small shops may close as a result of that legislation alone. At the moment the Government do not have any plans to carry out an evaluation of its impact. Overturning that inherited legislation is but one example of the right and appropriate path of deregulation needed to protect our independent retailers. If we do not do so, our nation of shopkeepers will become a nation of clone towns, with local shop models of supermarkets replacing the traditional British independent offering. The Government are currently reviewing the legislation and I urge all hon. Members to speak to the Secretaries of State for Business, Innovation and Skills and for Health and to register opposition to that over-burdensome, soundbite regulation.

As late as July this year the London assembly added its voice to the many expressing concern for the sector in its report, "Cornered Shops". The report indicates that 7,000 independent shops shut in the last 10 years alone—or 13 a week. That marks a long-term decline, exacerbated by the recent economic crisis and punctuated now by a continuing lack of access to credit, which we have heard about today. We all recognise the frustration at the fact that, after the bail-out of irresponsible bankers, those bankers are not doing their bit to lend to small businesses and kick-start the economy. Something needs to be done to ensure that access to credit is made simpler for independent and viable retail offerings—and quickly.

We have seen the rise of supermarkets in the past 10 years, and there has been an aggressive expansion in the past few years into the local stores format. Our planning law needs to recognise and cauterise that practice, which is slowly bleeding out our independent high streets. Planning law needs a sustainability test, under which multiple chains would need to demonstrate that any proposed application would not adversely alter the mix of small, medium and large stores on high streets. Supermarkets account for a massive 75% of the market and 80% of independent retailers say that multiples are the single biggest threat to their livelihoods. I certainly do not advocate getting rid of supermarkets and propping up failing independent retailers for the sake of it: both have their place in a healthy and modern economic mix; they are not mutually exclusive.

Although this is by no means atypical of the operating experience of all independent retail sectors, I shall give just one example of how the scales are tipped against newsagents. The National Federation of Retail Newsagents, and newsagents in my constituency, have told me that one of their biggest problems is the lack of control that they have in the newspaper supply chain versus supermarkets' buying power. We need to protect our independent high streets, which are far more vulnerable than the multiple retailer end of the sector. Once they are gone, they are gone for good, as are the friendly face of our local independent retailer and the heart of our community.

I recently went to the ceremony for the independent achievers awards, which celebrated best practice in the sector. The energy in the room was electric with the buzz of the best independent, innovative retailers regaling one another with stories of how they had adapted to support their local communities and build up successful businesses. That is the sense of pride and enthusiasm that we need to regain.

Our independent retailers work long hours, seven days a week, all year round, only to combat increasing costs, aggressive competition from multiple retailers, decreasing profits, increasing bureaucracy and decreasing access to credit. We need to reinvigorate the small business sector with a package of measures. Scrapping the tobacco display ban would be a good start.

3.31 pm

Lorely Burt (Solihull) (LD): I shall be brief because another hon. Member wishes to speak before the start of the winding-up speeches. I congratulate the hon. and learned Member for Torridge and West Devon (Mr Cox), who spoke with passion, knowledge and humour and is a true crusader for his cause. I particularly agree with him on rates. The Liberal Democrats would like eventually to move to a system of site value rating, but I totally agree that raising the threshold at which rates are paid would be a good start to help retailers. I believe that the Minister will confirm that automatic rate relief is in the coalition agreement and we will be implementing it soon—the sooner, the better.

The state of the country is very bad. As the hon. and learned Member for Torridge and West Devon mentioned, 12,000 independent shops closed in 2009. When people buy their consumables in the local economy, 50% to 70% of that money stays in the local economy. If they go to a large retailer, £7 of every £10 that they spend will leave the local economy. It is therefore very important that the Government give a lead on public procurement. There is a Government aspiration that 25% of procurement will come from small businesses. What is the proportion now and what steps are we taking to achieve that? I commend the Federation of Small Businesses, which has been a tireless campaigner on this matter, particularly with its "Keep Trade Local" campaign. That has been tremendous.

I want to ask the Minister a couple of other questions. Many retailers export, but when I was reading the Department for Business, Innovation and Skills business plan the other day, I could see no mention of support for retailers or small businesses seeking to export—unless of course it is arms that are being exported, which seems to be all right. Also, the hon. and learned Member for Torridge and West Devon talked about the local government role in assisting small business. It has been perceived in the past to be more of a hindrance than a help, although I am sure that that was not intentional.

Simon Danczuk: I want to make the point about local government in relation to Rochdale. About two years ago, I suggested that Rochdale council introduce free parking across the town centre. It eventually introduced

that a few months ago, with much reluctance on the part of senior council officers—it is not so much elected members who are the issue. I have to put it on record that the credit goes to a Conservative councillor, Ashley Dearnley, who had to drive that change through the local authority. Free parking on a Saturday is not the complete solution, but it does help.

Lorely Burt: Absolutely. I could not agree more with the hon. Gentleman. The point of local government is to show good political leadership.

The hon. and learned Member for Torridge and West Devon talked about the needs test and the local interest test, which would be a tremendous help. If we had that now, we might not have the situation that we have in my constituency of Solihull, where a huge Asda is being built on 3 acres of parkland on the main shopping street of Shirley. Will that stimulate custom for small independents on the rest of the high street? I doubt it. I think that it will bleed them dry, but we shall have to wait and see.

I welcome the help that the Government are already giving. With regard to regulation, we have the one-in, one-out policy and the sunset-clause policy and all the other aspirations that we are moving strongly towards. I would like to suggest consideration of small business as an automatic part of any pre-implementation review of new regulation and of the post-implementation review. It would be very good to build that into whatever legislation we produce.

With regard to the banks, I have a constituent who has an independent retail company. She applied for some help from the banks and was told, "Sorry. You're in the wrong sector." My right hon. Friend the Secretary of State for Business, Innovation and Skills is examining that, and I hope that he has a good go at ensuring that the banks give small business, independent retailers and everyone else who needs it the help that they deserve.

Mr Mike Weir (in the Chair): I now call Justin Tomlinson, but remind him of the need to allow time for the winding-up speeches.

3.36 pm

Justin Tomlinson (North Swindon) (Con): Thank you, Mr Weir; I will be on time.

I congratulate my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) on securing this excellent debate. It has captured the interest of so many hon. Members both because of the subject and because of his engaging delivery.

I am a big fan of small shops, for a number of reasons. First, I am the vice-chair of the all-party group on small shops and I am a member of the all-party retail group. I also come from a family of small business shop owners. I have many happy memories of growing up in the back of my parents' wool shop, which was very handy in these colder days.

Chris Ruane: He didn't want for a scarf.

Justin Tomlinson: That is right. As has been said, small shops provide diversity but also character and interest to the high street. My local authority, Swindon, is embarking on trying to secure significant town-centre regeneration but, ever mindful that we will always be competing with Oxford, Bristol, Reading and Bath, we need something that sets us apart from those other towns as potential shoppers head down the M4 and choose which ones to go to. Through small independent retailers, we can have that unique offering.

I shall start by being positive. A recent BBC TV programme was called "Mary Queen of Shops". I am a big supporter of the idea that she put forward, which was that it is not all doom and gloom and that many retailers need to embrace changing customer expectations. I shall use just two quick examples, one of which was a struggling greengrocer's that was very quiet in the daytime. She encouraged the people at that greengrocer's to go out and get orders for delivering vegetables to people's doors. In the daytime, when they were quiet, they could pack those boxes, and that increased their income significantly. The other example came from an area in the south-west that was a tourist attraction—I forget the name of the place—where there was a struggling convenience store. She had the store redesigned so that it became more old-fashioned, to buy into the tourism aspects of the area, and encouraged it to promote local produce, which had a story, and to have events inside the store. Again, that increased business.

There is a part that retail has to play; it is not just the Government and local authorities that have to act. However, there are other challenges. Many hon. Members have mentioned the banks. I get very cross when banks say to me that they are doing their bit; they have signed up lots of customer relationship managers. In my experience, they do not have the relevant business experience and they still rely on the computer, which all too often says no.

I support the comments that many hon. Members made about rates. In other debates, I have urged us to ensure that there is some flexibility in the rates system. We have so much spare capacity with empty shops and, using the rates system, we can help to attract the next generation of small retailers. That would not only tackle ghost high streets but create new employment opportunities, and surely a small rates contribution is greater than none at all.

I agree with many of the comments on parking. I am delighted that my local authority has cut parking charges and seen footfall and income increase, although I have just one proviso before we bash all local authorities. There was a lot of emphasis by the previous Government on encouraging green travel, which, perversely, encouraged councils to make it harder for people to park in their town centres.

Finally—because I am conscious of the time—I echo the support for the Conservative small shops commission, chaired by my hon. Friend the Member for Northampton South (Mr Binley), who has now left the debate. We should embrace and deliver the thrust of that, to restore pride and life to our high streets.

3.40 pm

Ian Lucas (Wrexham) (Lab): Welcome to the Chair, Mr Weir. I congratulate the hon. and learned Member for Torridge and West Devon (Mr Cox) on securing this valuable debate. I commend all hon. Members for their brevity and their comradely manner in allowing everybody to contribute, which has made the debate all the better.

[Ian Lucas]

This is an important issue for all hon. Members, whether they represent towns, cities, villages or a combination of all those elements. Independent retailers are important in all communities, as is clear from the debate. We all recognise that we are in a difficult economic situation that has hit independent retailers hard over the past couple of years. However, there has been a decline in independent retailers in our communities over many years because of supermarkets, the increased use of private transport, differing demands and changing consumer habits. We must recognise that it is not only Government behaviour that has changed people's use of independent retailers; it is a product of the different way in which people shop. The independent retailer network recognises that and successful independent retailers are consequently more flexible in their shopping times and offer greater quality and reliability in their products. Many are competing successfully with supermarkets by offering innovative and distinctive products that people want to buy.

All the speeches that have been made are worthy of comment. The hon. and learned Member for Torridge and West Devon has a long record of campaigning on this issue. He spoke clearly and eloquently about his community. On broadband, the Labour Government's commitment of at least 2 megabits by 2012 has been removed by the Liberal-Tory Government. Unfortunately, his community will have to wait longer for satisfactory broadband services. I am sorry that Devon is not progressing as quickly as Cornwall. It is unfortunate that that commitment, which would have helped villages and smaller communities, has been reneged upon.

My hon. Friend the Member for Vale of Clwyd (Chris Ruane) spoke about Rhyl—few people know more about Rhyl than he does. He spoke of the importance of safety, cleanliness and presentability to all communities. We all recognise and value those things. It is important that communities are safe and we should recognise the important contribution that CCTV makes in our communities, including in my community of Wrexham.

The hon. Member for Newton Abbot (Anne Marie Morris) mentioned theft from shops, which is a big problem for smaller shops, where there are often fewer members of staff. It is clear that CCTV makes a major contribution to tackling that problem. I would not like to see the popular provision of CCTV in places such as Wrexham diluted by the Government. It is not clear whether the current review will lead to a reduction in CCTV provision. It has had a big impact in providing a safe and satisfactory shopping environment in my constituency. She also spoke about regulation, to which I will return.

I was interested in the contribution of the hon. Member for Aberconwy (Guto Bebb) on corporation tax. It was such a good point that the only other person whom I have heard make it is me. We talk too often about reductions in corporation tax. Those of us who have run a business as a sole trader know that those reductions do not result in any benefit for such individuals. We need to be more flexible in the way in which we use such provisions.

The hon. Member for Hove (Mike Weatherley) was right that the phrase "the nation of shopkeepers" comes from Adam Smith. The hon. Gentleman made an interesting point about regulation. I am sorry to disappoint him, but the Secretary of State for Health spoke only this week about additional regulation on tobacco products, with the introduction of plain labels. Far from following the hon. Gentleman's advice, the Government are going in the opposite direction.

The hon. Member for Solihull (Lorely Burt) told us about Asda in her constituency, and it is also a major influence in my constituency. We all face the conflict between supporting the work of independent retailers, which are important to our communities, and wanting to bring more jobs to our communities, which supermarkets are very effective at doing. They often provide flexible terms of employment for those who want to work there. We must get that balance right, which is difficult.

The hon. Member for North Swindon (Justin Tomlinson) made a valuable contribution. I am pleased to hear of his work with the all-party small shops group and I am sure he will continue to make valuable contributions.

One of the most difficult issues for independent retailers is regulation. That is a difficult issue for all of us. Many of the proposals that have been made in the debate, such as on parking and charity shops, would require additional regulation and new legislation. It is easy to create good soundbites such as "one in, one out", but it is more difficult to devise the regulation that is necessary to pursue particular policy ends without its being onerous for small business.

As a former Minister with responsibility for regulatory reform, I know that the Better Regulation Executive will provide excellent support to the Minister by nagging him on regulation—I am sure it will nag him just as avidly as it nagged me. Contrary to the perceptions of some Government Members, I did not used to wake up dying to regulate every morning, but tried to reduce regulation as much as I could. One of the previous Government's most positive moves in reducing regulation was the forward regulatory programme, whereby Departments have to publish what they propose to regulate. It frightens Ministers when they see the length of the list they present. I am delighted that the Government are continuing with that programme, because it is a good discipline. Dealing with new regulation is in many respects more difficult than dealing with stock. It is quite easy to get rid of a regulation about driving horse-drawn carriages across particular heaths, but it is more difficult to prevent Ministers from legislating with new regulations. As we all know, independent retailers suffer disproportionately from regulation because they have so many other things to do.

We have a common aim of improving the position for independent retailers. There is a lot of imagination in the independent retail sector. When I was fortunate enough to be a Minister at the Department for Business, Innovation and Skills, I made an interesting visit to Westway in west London, where, under the ring road, there is a co-operative enterprise of different shops that offer distinctive products. If the hon. and learned Member for Torridge and West Devon has an opportunity to visit that enterprise, I commend it to him. It shows that when a community is changing, independent retailers often identify more quickly and appropriately the opportunities in the market, and are often more imaginative in the products that they provide.

We have discussed some interesting incentives such as rate relief and enabling students to consider taking on empty units for a limited period—perhaps for a month

or two. We should encourage such flexibility at a local level. Contrary to the observation of the hon. and learned Gentleman, the Opposition want small business to succeed and see it as an important driver of economic growth. Economic growth is vital and it is regrettable that the Government have not yet brought forward their growth White Paper.

I agree with the hon. and learned Gentleman that growth is imperative. We want small businesses and large businesses to succeed. We need to convince our young people to run their own small businesses, which is something I did but would never have contemplated as a teenager—it just happened that way in the end. Doing so gives you individuality, freedom and potential, and we should be encouraging people to do it. We need to devise and put in place the policies to take that forward.

3.50 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): May I begin by congratulating my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), not only on securing the debate but on his characteristically eloquent and powerful advocacy of the arguments that he had marshalled? He ranged across some of the crucial touch points that allow our town centres, villages and high streets to prosper but that, in some cases, prevent them from trading at all. I want to touch on as many of those points as I can.

It has been an excellent debate and there have been a number of common themes. I will use the nine minutes or so remaining to tackle some of the wide range of issues, but I will canter through them, if I may use the white knight metaphor without too much danger, leaving it there for Members to mull over if they have strong stomachs. I will not get into some of the finer points or the broader issues around regulation. We have important issues such as business rates, planning, the role of high streets, town centre management and the commission that my hon. and learned Friend mentioned.

First, as someone who started his own business at the bottom of the previous recession, I share my hon. and learned Friend's interest in and passion for enabling our independent retailers to start and grow. Times are difficult for many retailers, as well as other small businesses. The point that hon. Members in all parts of the Chamber have made is that small businesses, and small shops in particular, are not just vital parts of the local economy, but focal points for the community. We need to bear that in mind.

It is also important to bear in mind that at the moment, in some places, independent retailers are often feeling squeezed out by some of the larger chains, which can threaten to reduce consumer choice and competition. In the time that I have, without stretching the metaphor too far, I will seek to saddle up and tackle some of the practical issues, which our constituents are keen to learn about.

The Government inherited some plans that would not be good for small businesses, such as planned increases in small company corporation tax and in employer's national insurance. We have made it clear that we will reverse both increases. For example, the impact of the planned national insurance rise, which we have now shown how we will reverse, would in the estimation of the Federation of Small Businesses have cost up to 57,000 jobs—often in the local shops that our communities value. We are, therefore, reversing the approach on employer's national insurance, for the most part. On small company corporation tax, from next April we will be cutting—not increasing—the level of the rate on profits by 1%, which should be crucial for the viability and, indeed, profitability of many of the smaller retailers.

A number of people raised some powerful issues about charity shops. The question concerns when people enjoy special treatment but trade in areas that they had not previously traded in. I want to raise those issues with my ministerial colleagues.

The hon. Member for Hove (Mike Weatherley) mentioned tobacco displays, but the choice is difficult. We all want to ensure that underage smoking is tackled, but we do not want to penalise the smaller business unduly. We are having a strong discussion in Government on that subject, and the Secretary of State for Health will be making an announcement shortly.

The issue of business rates was raised by a number of hon. Members. When running a business, business rates sit on the overheads—they are fixed costs, so in good and bad times they affect people equally. That is why I can confirm in one case, and newly announce in two other cases, changes that address many of the questions asked in the debate about small business rates and the relief.

I confirm that we are doubling the level of small business rate relief in England for one year, with effect from this October, reducing the fixed cost for small businesses and helping them to continue to trade while the economy returns to growth. As suggested by hon. Members, that means that eligible businesses occupying properties with a rateable value of up to £6,000 will pay no rates, with tapering relief up to a rateable value of £12,000.

In practice, what does that mean? It means that more than half a million businesses in England will benefit, with 345,000 businesses paying no rates at all. In value terms, the saving amounts to £390 million. In particular, my hon. and learned Friend the Member for Torridge and West Devon will wish to know that we think about 65,000 businesses in the south-west will benefit. My right hon. Friend the Secretary of State for Communities and Local Government has announced that we intend to proceed with legislation to ensure that small business rate relief will be automatic. We made that commitment before the election, and we are honouring it. It will be set in legislation shortly.

Today, we announced our plans to change the rules so that councils can set further business rates locally, to respond to specific needs or to help high streets that are struggling and where a little local application of further discounts could help. It is a good local programme, funded locally, which will provide vital flexibility in our areas. I hope that right hon. and hon. Members will take those points further forward.

Planning was raised by several hon. Members. Independent retailers in the high street have been anxious about some of the changes made under the previous Government. This Government strongly support a localist approach to planning for the high street, which is why we have a clear commitment to the "town centres first"

[Mr Mark Prisk]

planning policy. In practice, it gives local authorities the ability to consider the vitality, viability and diversity of shopping districts when considering controversial planning applications.

Ministers are also making it clear that any specific changes to national planning policy will be brought forward through the national planning framework. There is, therefore, clarity and an element of consistency. We are committed to returning power to local communities, to enable them to shape the development of their areas, which is why we will present to Parliament a simple and consolidated national planning framework covering all forms of development. The announcement will be made soon, in particular on how we propose to progress the framework and on the implications for specific areas of planning policy. However, to be very clear, the principle of "town centres first" is a vital part of that framework.

Mr Cox: Will the Minister give way?

Mr Prisk: I will canter on, if I may, because I feel honour bound to mention a couple of questions asked by other Members.

On procurement, the answer for the hon. Member for Solihull (Lorely Burt) is 16%. Measures for transparency and removing red tape will help. If she looks at the UK Trade & Investment website, rather than at the Department for Business, Innovation and Skills one, she will find the export advice that she seeks.

I turn briefly to two other things, one being rural broadband, about which my hon. and learned Friend the Member for Torridge and West Devon is keen to have answers. We are determined to ensure that we do not just have a slight improvement—2 megabits—but that we have super-fast broadband right across the country. Our commitment is to deliver that by 2015, backed by a £530 million package. We are piloting it, in particular, in rural areas—we understand their difficulties—such as the highlands and islands of Scotland, Herefordshire, Cumbria and North Yorkshire. The commitment is clear, and we want to ensure that we deliver on it.

Lastly, I turn to the broader question. My hon. and learned Friend was, under the chairmanship of my hon. Friend the Member for Northampton South (Mr Binley), part of the commission referred to in the debate. A vital beginning to that process is the document—the tool—that I am holding, entitled "Healthy High Street?". The process is about understanding the holistic issues that affect town centres—whether planning, parking or whatever. I happily and strongly commend the proposals, which have come from the retail industry jointly with the Government. The document begins a process to strengthen town centres.

Times are tough for retailers, which is why we are tackling their costs, dealing with planning and are open to helping them in the months and weeks to come.

Concessionary Travel

3.59 pm

Karen Lumley (Redditch) (Con): It is a pleasure, Mr Weir, to serve under your chairmanship. I thank all hon. Members for giving up their time to attend this debate, which is about an important subject. Concessionary fares come with a history of controversy, and I have received many representations on the topic from my constituents. I hope that we get some clarification from my hon. Friend the Minister today.

Concessionary travel is vital to many communities, especially to the elderly, the disabled and those who live in rural areas, who would otherwise be cut off from basic services. Eleven million people in England qualify for the concession, which is no small number. Since the introduction of the scheme in Worcestershire in 2008, we have seen an 18% increase in the number of concessionary journeys made in the area, and the county has issued more than 100,000 cards.

The preservation of concessionary travel is a huge deal. For me, it is especially important to Worcestershire and my constituency of Redditch. When I was a Redditch councillor in 2004, the Conservative minority-control council scrapped the free bus pass on advice from council officers, who told us that it could not be sustained, but we soon realised what a gigantic mistake it had been. At the following local elections, Labour election literature branded me the "bus pass snatcher". Needless to say, we lost the election, and I am certain that the issue was a significant factor in my losing Redditch in the 2005 general election. The Labour group reinstated concessionary fares in 2004, but the disaster that I have mentioned must not be repeated.

Mr Robin Walker (Worcester) (Con): I congratulate my hon. Friend on securing this debate. She makes a strong point. Does she acknowledge that the problems of the present concessionary fares scheme affect county towns such as Worcester particularly badly, and that if the Government are going to switch it from the districts to the counties, it is essential that they reallocate the grant and not simply the cost of the scheme?

Karen Lumley: I totally agree with my hon. Friend. I shall probably come to that point later.

I fully support the announcement in the Government's comprehensive spending review to

> "Protect the statutory entitlement for concessionary bus travel, ensuring that older people can maintain greater freedom and independence."

However, I am worried that it does not go far enough. I believe that the Government are not effectively addressing the serious concerns voiced by district and county councillors about the reduction to local government resource grants of 28%, the transfer of grant funding administration and the 20% cuts to the bus service operators grant. Together, those will have a significant effect on the provision of concessionary travel.

Today, I wish to speak particularly about the implications that the transfer of grant funding from district councils to the county council, mentioned by my hon. Friend the Member for Worcester (Mr Walker), will have for two-tier authorities. I stress that the problem is not the principle of transferring the funding to county councils, but the

process of reallocating financial responsibility. Under current plans, the national scheme, which is administered locally, is to be withdrawn from district councils and transferred to county councils from April next year. In the past, councils have often had to deal with substantial shortfalls in funding for the scheme, and the latest development appears to be a continuation of this struggle.

Harriett Baldwin (West Worcestershire) (Con): I congratulate my hon. Friend and Worcestershire colleague on securing this important debate. Does she agree that it would be desirable for councils, whether at district or county level, to be net-net—not out of pocket either way—when implementing the scheme on behalf of the Government?

Karen Lumley: That is the point that I am making. The proposal could be devastating for district councils, as they stand to lose significantly more than they spend. The system has been described as a mess by the District Councils Network. Changes to the formula need to be clear, transparent and accurately carried out, but many councils are concerned that the implications have not been properly thought through.

Mark Garnier (Wyre Forest) (Con): I congratulate my hon. Friend on securing this incredibly important debate. To give substance to her argument, I should say that the leader of Wyre Forest district council told me only this afternoon that the potential cost to that one council would be £1 million if the worst option is selected. That is £1 million a year on top of the expected cuts resulting from the comprehensive spending review.

Karen Lumley: I thank my hon. Friend for that. I know that Redditch is looking at similar figures.

It is most likely that the transfer will result in neither a fair nor a transparent funding deal, some councils being hit harder than others through losing a disproportionate amount of grant funding.

Simon Kirby (Brighton, Kemptown) (Con): On that point, Brighton and Hove city council is looking at a shortfall of £1.3 million. I suggest that a grant should be provided to cover the fact that some places are tourist destinations and have extensive bus networks as a result.

Karen Lumley: We in rural Worcestershire suffer from different problems, but I take that point on board.

The system is surely not in line with the Government's message on fairness. I wholeheartedly support that message, but on this matter it is failing to get through. We need to ensure that funding is allocated fairly and equitably.

Heather Wheeler (South Derbyshire) (Con): My hon. Friend makes a good point. The changes affect different parts of the country differently. In South Derbyshire, we are trying to negotiate friendly terms with Derbyshire county council. However, in the past Chesterfield and Derby city lost huge sums as a result of various changes.

I understand that consultation with the Government is going well. There are four options. In two we lose dreadfully, and in one we are just about okay. As for the option for the rural and tourism areas, I sincerely hope that our ally will come along with some good news later this afternoon.

Karen Lumley: Like my hon. Friend, I hope that we get some good news this afternoon. That is why we are here.

I seek clarification from the Minister. Will he assure the House that district councils will not be significantly financially disadvantaged as a consequence of the transfer of the administration of concessionary fares from district to county council level? If some councils are to be disproportionately affected, may I suggest a top-up fund to ensure that those councils likely to face substantial losses will not be financially disadvantaged?

In the light of the tremendous upheaval that the transfer will cause, the time scale allowed for councils is less than satisfactory, given that local authorities already have to deal with the comprehensive spending review. Will the Minister consider making representations to his Department to change the date required for publication of the scheme from 1 December? As we know, the spending allocation will not be published until later, which will leave local councils second-guessing how much will be needed.

Justin Tomlinson (North Swindon) (Con): I congratulate my hon. Friend on securing this excellent debate. I feel like the odd one out, given that I represent a unitary local authority. Does she agree about the need for clarity, especially in the long term, so that local authorities can plan accordingly?

Karen Lumley: Wouldn't that be nice! When I was a councillor, we worked year to year; we never got any further ahead than that. I totally agree with my hon. Friend. That would be fantastic.

I hope that the Minister agrees that clarity would allow districts fully to assess the impact of funding adjustments, and thus be able to make more informed decisions on the possibility of continuing local enhancements to the national scheme. For example, the Redditch scheme runs for the whole day, so whenever the buses start—it is usually 7 am—residents are able to use them. However, the national scheme starts at 9.30 am, and our residents lose out by not being able to travel during busy commuter times.

I shall speak briefly about the bus service operators grant. There was much speculation before the comprehensive spending review about Government plans to cut the BSOG entirely, but it proved to be unfounded. Instead, the grant will be reduced by 20% from 2012. I welcome the Government's view that that reduction will have a marginal impact that can be absorbed without fares needing to rise. However, many do not believe that. The impact of individual cuts could be absorbed, but when combined with cuts to the revenue grant and changes in the funding system, they will have a potentially devastating effect. Will the Minister say exactly how these cuts can be absorbed, and what practical measures are in place to ensure that concessionary fares will not cause increases?

Many authorities are approaching the comprehensive spending review outcomes positively—I know that Redditch is—and they hope to be in a position to meet the loss in grant without a disproportionate impact on service

[Karen Lumley]

delivery. However, some councils will not be so lucky. As we heard from my hon. Friend the Member for Wyre Forest (Mark Garnier), many will have to raise fares, reduce service availability, alter or cancel routes altogether and consider the impact on longer-distance rural bus services, all of which will significantly undermine the concessionary scheme. I have to ask what the point is of having a bus pass if there are no buses to use.

We understand that cuts in all services are a necessary evil, given the economic catastrophe left by the last Labour Government. However, the lack of clarity about the transfer of funding and about where the brunt of the cuts will fall is unacceptable.

Rosie Cooper (West Lancashire) (Lab): I congratulate the hon. Lady on securing this debate. We have heard about councils that are net losers today. My local authority of West Lancashire is a net gainer and must contribute to the county these days.

Does the hon. Lady agree that concessionary travel is a lifeline for many pensioners? As for rural areas, she is absolutely right—there is no point in having a bus pass if there are no buses. Would she seek to ensure that all pensioners and all communities have fair and equitable access to concessionary travel, especially because, as I say, West Lancashire is a gainer?

In my area, my local pensioners want to have the option of concessionary rail travel on the same basis as their neighbours in Southport, Wigan and Liverpool. The pensioners of West Lancashire actually feel that they are not getting a fair deal out of concessionary travel and yet it is a net gainer, so there really are swings and roundabouts here.

Karen Lumley: I agree. There are obviously swings and roundabouts across the whole country and it would be nice if we had a uniform scheme whereby everybody could benefit; it would also be nice if we had the money to do that. However, I understand that we are in very difficult times and we have to make very difficult choices.

Gavin Williamson (South Staffordshire) (Con): I congratulate my hon. Friend on securing this debate and I thank her very much for giving way. On that point, some of the current schemes that have been discussed are incredibly penal against rural district councils and we could actually see many services just being totally destroyed, such as those in my district council of South Staffordshire. We must have consideration for those authorities in the future, a point that she has been explaining fantastically well in this debate.

Karen Lumley: I thank my hon. Friend for that intervention.

Part of my constituency is rural and part of it is urban, so the problems facing those two parts are very different. That is one of the reasons why I wanted to speak today, because it is probably easier to get a bus in Redditch than it is to get one in Wychavon, which is the rural part of my constituency. So, as the hon. Member for West Lancashire (Rosie Cooper) said, it is only right that we treat people as fairly as we possibly can.

Andrew Bridgen (North West Leicestershire) (Con): My constituency is very similar to that of my hon. Friend; it has both urban and rural areas. My district council has currently budgeted to spend £887,000 on the concessionary fare scheme this year, and it will receive a specific grant of £196,000 to meet part of that cost. However, my county council is concerned that, when this spending on concessionary travel passes to county councils, the formula grant will be reduced by more than that £691,000 shortfall—many other Members have expressed similar concerns about shortfalls today—and that that would put added pressure on a budget that has already been cut by 25%. If we want to avoid rural isolation, we must have a guarantee that we will not have a shortfall.

Karen Lumley: I agree with my hon. Friend and I look forward to hearing the Minister's reply to the debate in a few moments' time.

The Government have promised to examine smarter ways of administering the bus service operators grant subsidies, as well as a system that more clearly—

Andrew Jones (Harrogate and Knaresborough) (Con): I congratulate my hon. Friend on securing this debate and I thank her for giving way.

In the area that I represent—Harrogate and Knaresborough—the actual cost to Harrogate district council of concessionary fares in 2009-10 was £2.9 million, and yet the total special and formula grant received was only £1.5 million, leaving the balance of £1.4 million to be met by local taxpayers.

As the grant is reallocated, with responsibility for the service transferring to the county council, it is quite important that we allocate the grant and not the cost that county councils and district councils have been facing, so that the local taxpayers of Harrogate district council are not hit twice.

Karen Lumley: I totally agree with my hon. Friend and let us hope that we can move on to the type of system that he has just suggested.

We need to look at a system that allows local communities and local authorities to determine how the funding that is allocated to their area should be spent, but I do not think that we have seen any evidence of such a system yet. I ask the Minister today to reconsider the proposed changes in the light of the cumulative effects that they will have, not only on district councils and local authorities but on the provision of vital services for our elderly and disabled people. I also ask him to address these issues as a matter of urgency.

4.14 pm

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I begin by congratulating my hon. Friend the Member for Redditch (Karen Lumley) on securing this debate on a very important issue. This debate has probably set a record in the House of Commons for the number of interventions in 15 minutes. I counted 10 interventions—so 11 speeches, as it were, in 15 minutes perhaps sets an example to other Members in other debates.

Let me say right away that the coalition Government are committed to protecting the concessionary bus travel scheme. We made that clear in the coalition agreement, the Chancellor reconfirmed that commitment in the

recent spending review, and the Prime Minister has given his own support for the continuation of the scheme.

The scheme is of huge benefit to millions of people, allowing free off-peak travel anywhere in England and providing older and disabled people with greater freedom and independence. The concession enables older and disabled people to access facilities both within and outside their local area, and it helps them to keep in touch with family and friends. It also provides new leisure opportunities, so that when eligible people are visiting other parts of England on holiday, they can travel free on local buses at off-peak times, and it encourages those people to visit popular tourist destinations—such as Brighton and Hove—which brings benefits to the wider community.

About £1 billion is spent on concessionary travel every year. The Government currently provide funding for the scheme through two channels. The majority of the funding comes through the formula grant system, and since 2008, when the England-wide concession was first introduced, the rest of the funding has come through a special grant from the Department for Transport.

In line with the reduction in separate funding streams to local authorities, from April 2011 all funding for the scheme will be provided through formula grant, giving local authorities the freedom and flexibility they want in their use of funding. Overall, the Department for Transport is reducing the number of funding streams for local authorities from 26 to just four, which is in line with the Government's general trend towards localism.

The Government are aware of how precious this benefit is to older and disabled people, which is why we are focusing our efforts on assisting local authorities to find efficiencies through reforms to the administrative and reimbursement arrangements for the scheme, rather than cutting back on the entitlement.

Only one change has been made to eligibility for the scheme—to increase the age of eligibility in line with the changes that are taking place to the state pension age. In fact, that change was introduced by the previous Government, and I understand that it was done on the basis that people are living longer, staying healthier for longer and tending to stay in work until later in life. That change will clearly assist with the financial sustainability of the scheme.

From April 2011, responsibility for administering the scheme will move from lower-tier local authorities such as district councils to upper-tier local authorities such as county councils. This reform will assist in overcoming a number of problems that have been identified by local authorities, stakeholder groups and operators. The change will enable efficiencies to be realised, through economies of scale and by reducing the number of negotiations with bus operators. It will also make accurate funding by formula easier, because there will be less variation in the size and characteristics of authorities. Furthermore, it will harmonise concessionary travel and wider transport authority responsibilities.

If individual councils have had a rough deal, such as the one in Harrogate, and other councils have benefited rather more in the same county area, such problems should therefore be eliminated by this scheme. I accept that it will not solve all problems, but that is one problem that can be eliminated by this move from districts to counties.

The Department for Communities and Local Government recently consulted on how the transfer of responsibility for concessionary travel will be taken into account in authorities' funding allocations from 2011-12. That consultation was an opportunity for local authorities to influence decisions on the final distribution method. By the way, I should say that many of the points that have been raised by Members today are actually points for the Department for Communities and Local Government, in a sense, rather than for the Department for Transport. Clearly, I will do my best to answer those points, but the funding allocation is through the DCLG rather than the DFT.

A number of authorities, especially district councils—including my own district council in Lewes—have expressed concerns about the potential implications for their future financial position as a result of the administrative changes. That is the nub of the case that is being put today. Discussions have been taking place at official level between the DFT and the DCLG to try to ensure that the distribution method taken forward after the consultation does not result in unintended consequences for authorities.

It is important to remember that the figures presented in the DCLG consultation were only illustrative and that the actual effect on authorities is likely to differ, following final decisions on matters such as the amount of funding to be transferred from lower-tier to upper-tier authorities for concessionary travel and the level of floor damping to be applied to particular types of authority. In other words, the change will be phased in, which I think was one of the concerns expressed today. My hon. Friend the Member for Redditch talked about "top-up" funds. The DCLG's preferred method is through damping and the provision of floors, to ensure that there is not a sudden cliff-edge. I am sorry to use all these terrible metaphors; they are official DCLG metaphors.

The overall amount of funding available for local government was set out in the spending review. DCLG will publish details shortly about the outcome of its formula grant consultation and how the overall funding pot will be distributed among authorities. The formula grant is allocated on the basis that the level provided overall is sufficient to enable authorities to deliver effective local services while ensuring that they do not set excessive council tax increases. In a sense, local authorities will be more able to decide how they allocate their funds than they have hitherto been.

The hon. Member for Brighton, Kemptown (Simon Kirby) asked about the effect on unitary authorities. I am afraid that I cannot give any specifics on that matter until the DCLG makes its announcement on the spending review, but I can say in general that all the comments made today are being noted by officials and will be passed back to the DCLG as part of ongoing discussions between our Departments. I also mentioned that the impact will be mitigated by the use of floors to prevent sudden changes in local government finance for individual authorities.

In her introductory comments, my hon. Friend the Member for Redditch asked whether the date for the publication of local authority schemes could be moved from 1 December. I am afraid that that is not possible. Travel concession authorities are required by the Transport Act 2000 to publish schemes four months before they

[Norman Baker]

come into force. It is not possible to amend the date without primary legislation, which she will understand could not be enacted before 1 December.

I am aware that concerns that have been expressed about the potential impact of the administrative changes on local discretionary concessions; I believe that the hon. Member for West Lancashire (Rosie Cooper) mentioned it. It is not the intention that the change in responsibility should have any impact on the additional entitlements offered by local authorities. The order laid before Parliament earlier this year to enact the change does not prevent upper-tier authorities from maintaining or introducing district or local level discretions where needs differ within different parts of a county boundary, for example. Nor does it prevent district councils from providing funding to county councils to administer discretionary concessions on their behalf.

Furthermore, district councils will remain able to consider discretionary travel schemes using the well-being powers in the Local Government Act 2000, so in theory, they could introduce concessionary rail travel within their areas if they wanted, irrespective of any move from district to county. However, local authorities should take legal advice when creating, amending or withdrawing discretionary concessions and should also ensure that they comply with their own disability equality schemes.

We are assisting local authorities to make efficiencies through reforms to the arrangements for reimbursing bus operators, on which we recently published draft guidance. We held a consultation on the new concessionary travel reimbursement guidance and will be issuing the final guidance to local authorities shortly, with a view to introducing changes to the reimbursement regime for schemes beginning in April 2011. I stress that it is for local authorities to decide whether they wish to take advantage of that guidance, but it will nevertheless be issued by the Department for Transport in order to enable local authorities to engage more effectively with bus operators.

The consultation sought views from stakeholders on the revised reimbursement guidance, which adopts a more directive approach to reimbursement calculations, requiring fewer data inputs and assumptions but leaving scope for local flexibility where appropriate. Analysis of historic reimbursement by travel concession authorities indicates that councils could make up to £130 million in savings under the revised reimbursement arrangements. The proposed new guidance is based on extensive new research carried out by the Institute for Transport Studies at the university of Leeds and will help to simplify the current system and enable more accurate reimbursement.

My hon. Friend the Member for Redditch mentioned the bus service operator grant. As she will know, all sorts of wild suggestions were made in the national press that BSOG was being abolished. I made it perfectly plain to the House in June or July that the Department values BSOG as a sensible contribution to ensuring good public transport. I therefore hope that it was not surprising that BSOG was retained with a cut of just 20%, which is below the average cut for revenue budgets in the spending review. That is a recognition from the Treasury and the Department for Transport of the value of its contribution to bus services. I spoke to the chief executive of the Confederation of Passenger Transport UK, which represents the five main bus companies, after the Chancellor's spending review. The chief executive was hopeful that in general terms, the cut in BSOG could be absorbed without any increase in bus fares. That was a good outcome.

The concessionary fares scheme remains based on the same solid principle as ever: bus companies should be no better and no worse off as a consequence of the scheme. That is relevant when we consider the new guidance on reimbursement arrangements. Concern was expressed that the changes might affect the level of service provided. As I said, bus companies should be no better and no worse off as a consequence of their dealings with local authorities. Therefore, in principle, irrespective of anything else, there is no reason why service levels should be affected. The concessionary fares scheme, if it delivers its outcome, should not lead to a reduction in bus services.

I point out that the vast majority of bus services are commercial rather than subsidised, so the secondary and understandable concern expressed by my hon. Friend and others that local authority budgets will be stretched, as undoubtedly they will, would in any case relate at maximum level only to subsidised services, not commercial services, which are independent of local authority funding. That said, local authorities, particularly rural ones, provide subsidies for some bus services in their area, and they will want to consider how best to use their funding. I hope that when it comes to difficult decisions, local authorities will consider—as central Government have done in recent months—where they can make savings without affecting front-line services. Affecting front-line services through cuts is the easy option. Rather than resorting to unfortunate cuts, local government can make a number of savings—for example, by combining back-room functions—without affecting the public. I hope that local authorities will approach their budgets in that way.

I hope that I have been helpful in responding to hon. Members' comments. I recognise that the issue is important—the turn-out has reinforced that—and I take it seriously. The Government's overall intentions are, first, to protect the concessionary fares scheme, and secondly, for good environmental and social reasons, to get more people on buses. We do not want to pursue policies that have the opposite objective or consequence. We will take back the comments that hon. Members from all parties have made this afternoon and feed them through to the Department for Communities and Local Government, which will ultimately decide the allocation for local authorities.

Pennine Lancashire Local Enterprise Partnership

4.28 pm

Graham Jones (Hyndburn) (Lab): This is a matter of importance in supporting growth in Pennine Lancashire and the north-west of England. I intend to discuss three main points. First, Pennine Lancashire's skills base and great heritage make it perfectly placed to pursue a local enterprise partnership. Secondly, a pan-Lancashire LEP is not an appropriate solution for either east or west Lancashire and will not work in the region. Thirdly, the Government must recognise the unique differences between those two local economies and the need for two LEPs for the region, and move toward a solution involving a Pennine Lancashire LEP.

When the Government invited local authorities and business leaders to submit proposals to form LEPs, we in east Lancashire saw it as a perfect opportunity to build on years of existing partnership work. In his letter of 29 June, the Secretary of State makes three clear points:

"some local and regional boundaries do not reflect functional economic areas. We wish to enable partnerships to better reflect the natural economic geography of the areas they serve and hence cover real, functional economic and travel to work areas."

There is no doubt that Pennine Lancashire functions as a natural economy and fits the three points mentioned by the Secretary of State.

Economic, skills, housing and transport strategies are already developed and implemented along the lines of that footprint, and they have been for many years. With a population of more than 500,000 people, the area is greater in size than many major UK cities and is similar in size or greater than some of the LEPs already approved. The area is characterised by a strong manufacturing base and entrepreneurial people. More than 21% of employment in the area is in the manufacturing sector, compared with 10% in the UK as a whole. Self-employment rates are significantly higher than regional and national levels. Despite not having a dominant city centre, the area collectively contributes more than £6 billion gross value added to the economy each year.

Export-led growth will drive economic recovery and Pennine Lancashire is well placed to capitalise on that, with more than 700 businesses involved in significant export activity this year. It is vital that we recognise what makes up east Lancashire. A key point is that there is a high degree of connectivity and interdependence between the Pennine towns. More than 10,000 jobs are provided by Blackburn employers and the same figure is provided by Burnley employers for residents of the area. In terms of Pennine Lancashire districts, my constituency provides 9,000 jobs. Some 84% of resident employees work in the area and only 16% work outside of it. Of those people who do not access employment outside the sub-region, almost three times as many commute to Manchester as do to Preston. We are talking about a very small connection to Preston. Independent analysis shows that more than 200 high-growth businesses have achieved at least three years continuous growth, despite difficult economic conditions. We are working hard as an east Lancashire region. Hundreds more businesses have the potential to grow and provide new jobs for the area.

I shall turn to why a pan-Lancashire solution is not suitable. The Pennine Lancashire LEP proposal is private sector led. The existing business leaders' forum works alongside the east Lancashire chamber of commerce and other support organisations, such as the Federation of Small Businesses and the Asian Business Federation. The forum comprises prominent business leaders from each of the six district councils and a cross-section of representatives from local high-growth companies. It is chaired by a well-respected business leader and includes the chamber of commerce president and chief executive, college principals and the Lancashire Business Environment Association. The forum will act as a shadow LEP board. It is important that the Minister recognise the work already achieved in east Lancashire. There are already 150 business men and women involved in partnership activity within Pennine Lancashire.

Gordon Birtwistle (Burnley) (LD): Does the hon. Gentleman agree that the fact that the business community is starting up two specific chambers of commerce—one for Pennine Lancashire and one for Preston and west Lancashire—proves that the business community wants two specific LEPs? The business community will work on that basis and will give such a proposal its full support.

Graham Jones: I accept that and I will come to that point.

The chamber of commerce in east Lancashire has a proven record of partnership development and business support delivery, not only locally but beyond its boundaries. However, its west Lancashire cousin hardly ever meets and does not function. The east Lancashire chamber has 800 members and covers 60,000 employees. One in four of the working population is covered by that chamber of commerce's businesses. It has led a programme of consultation during the development of the LEP proposal and has circulated information to 8,000 businesses. The chamber's elected board of directors fully endorse the Pennine proposal. Last week, the shadow east Lancashire private sector LEP board met to finalise governance arrangements and to give input into the development of a regional growth fund bid.

East Lancashire's business leaders are getting on with the job in hand, so why are we having this debate today? Despite Pennine Lancashire fulfilling every criteria set out by the Government, the bid has yet to be approved—not because of the quality of the proposal or the private sector backing, but because of the conflicting bids from the county, particularly the county council. It is worth highlighting that the county council's proposal does not cover the historic area of Lancashire and that it excludes Blackburn and Blackpool. They do not wish to participate. That is why I describe it as a Swiss cheese proposal—it leaves two great big holes in Lancashire and does not provide a pan-Lancashire solution. The proposal does not even command the support of the majority of district councils in Lancashire. On the other hand, east Lancashire local authority leaders are united and have been working on a cross-boundary and cross-party basis to promote economic growth in Pennine Lancashire for many years. In particular, Regenerate Pennine Lancashire is an exemplary example of economic co-operation.

East Lancashire welcomed the assurance given by the Minister of State, Department for Communities and Local Government, the right hon. Member for Tunbridge

[Graham Jones]

Wells (Greg Clark) in his letter to the district councils' network on 25 August. The letter reiterated what has been said before:

"we are not expecting County Councils to act as sole 'building blocks.' We want to see economic geographies reflected in proposals, not administrative ones".

Experience has shown that pan-Lancashire structures put in place to deal with economic issues are ineffectual and that local arrangements reflecting local economic footprints work better. If we are not careful, we will have the unnecessary duplication of bureaucracy of region and locality. Indeed, only this year, Lancashire partners agreed that the existing pan-Lancashire economic partnership was no longer fit for purpose and that the attempt to create a Lancashire-wide skills board has failed. However, the private sector-led Pennine Lancashire Employment and Skills Board goes from strength to strength.

There are also two British Chambers of Commerce accredited chambers of commerce in Lancashire. This point relates to the comments made by the hon. Member for Burnley (Gordon Birtwistle). One chamber of commerce is in the east and one is in the west. They both reflect the unique differences of the economies they serve. A two-LEP Lancashire solution is staring us in the face. A recent poll suggested that almost 70% of businesses in west Lancashire would back a two-LEP solution.

Rosie Cooper (West Lancashire) (Lab): I congratulate my hon. Friend on securing the debate. None of the bids from Lancashire were accepted by the Secretary of State. In reply to a question I asked the Secretary of State, he said that the bids from Lancashire were

"overlapping...fiercely competitive and different." [*Official Report*, 28 October 2010; Vol. 517, c. 490.]

I understand my hon. Friend's preferred position on dual Lancashire bids, but local authorities in Merseyside and Greater Manchester can work together, despite their areas being very different. Having two such dominant and powerful LEPs in the north-west will surely make it difficult for Manchester to compete for such resources—not to mention when we have to compete against other LEPs across the country. Does my hon. Friend agree that the predominantly Conservative administrations across the council need to act collectively to ensure that the people we represent are not at the back of the queue?

Graham Jones: I appreciate my hon. Friend's comments, but I do not accept any of them. I do not accept that there is a pan-Lancashire solution because Blackburn refused such proposals and had the common sense to look south to Manchester. Blackpool is hesitant on the matter. I shall come on to some of the conflicts that exist. We do not have a pan-Lancashire solution; we have a proposal based on three separate areas. The problem is that three proposals are being labelled as one proposal. We will all lose out. There is no pan-Lancashire solution—there never has been and there never will be. There is Lancashire county council, Blackburn borough council and Blackpool borough council.

Gordon Birtwistle: The hon. Gentleman may remember that when he was, I think, a member of Hyndburn council and I was a member of Burnley council, we put forward multi-area agreements—the right hon. Member for Blackburn (Mr Straw) will remember those. Pennine Lancashire put forward its MAA and I had the pleasure of coming to No. 10 Downing street to sign it off with the previous Prime Minister. I do not think that the west Lancashire MAA was ever done. Why are we, in Pennine Lancashire, being held back while we wait for the rest of Lancashire to come up with some sort of solution to what they need?

Graham Jones: The hon. Gentleman makes a fantastic point. East Lancashire has an MAA and now west Lancashire has decided to have one because east Lancashire has one. That reinforces the point that there are two economic models and two different regions divided by the M6 motorway. He also makes the point that the direction of travel to work is to Manchester or inwards; there is none to the west.

Following that recent poll, which I think is striking, a strong Government recommendation to that end would quickly resolve the situation and leave Lancashire settled with a two-LEP solution.

The two areas are distinct, encompassing both Blackburn and Blackpool. I remind the Minister that we have recently seen a costly legal battle between the two areas over Tithebarn, a retail development intended to revamp Preston city centre. Lancashire county council backed Preston city council against Blackburn with Darwen borough council over the Tithebarn project, and £1.5 million of taxpayers' money has been wasted in that legal battle. That is what will continue if we try to mix oil and water, and Tithebarn will not go away in the next decade. Trying to merge the two areas will result in a terrible situation. That battle in the courts was about not civic leaders but retail, and it was between businesses and, primarily, Blackburn council.

I am concerned by the fallout from Tithebarn. I do not see how Lancashire county council has a mandate for that proposal, and I do not know why it is bringing that forward. I have never seen an executive report on the issue from the county council, and nor have I ever seen the matter go to full council. I have never seen it brought forward. It is undemocratic, and I would like to see how much the county council is spending on it, as it does not even have a mandate from its members in the council chamber. It is a ridiculous bid and should be thrown out. It is a cynical attempt to undermine the established Pennine Lancashire LEP bid, and to use issues such as Tithebarn to impose a west-of-Lancashire solution. It goes against the spirit of local economic partnerships and the Government's wider localism agenda. Lancashire county council should not be allowed to disrupt and jeopardise the economic prosperity of an area it is meant to serve in a misguided attempt to reassert control over the existing county boundaries on issues such as Tithebarn and others.

In summary, Pennine Lancashire LEP is based on evidence and understanding and has the support of the private sector, district authorities and all local MPs from the three main political parties. Business and civic leaders in east Lancashire all recognise what works locally and have a sense of common purpose about what needs to be done, one that transcends political differences. The economic capital should not be discarded, as years of work have gone on in east Lancashire involving all the authorities—of different colours—to try to drive growth in the area, which we have done.

It is clear that Pennine Lancashire has had a business-led and focused partnership that has developed over years. There is nothing comparable to the west. To send everyone back to square one to suit the county council's agenda would be a gross waste of taxpayers' money and would hit growth in the region. I urge the Minister to resolve the situation, approve a Pennine Lancashire proposal as a matter of urgency and allow us to get on with creating the private sector jobs and growth that the area so desperately needs.

Several hon. Members *rose—*

Mr Mike Weir (in the Chair): Order. It is normal for the Minister to have 15 minutes to respond to the debate, but I will allow other Members to speak if they do so briefly.

4.43 pm

Lorraine Fullbrook (South Ribble) (Con): I wish to address the issue of parochial interest, which is in danger of overriding the greater and more holistic approach in fostering and enhancing the economy of Lancashire. If we allow Lancashire to be divided, we will be unable to offer a broad and integrated approach to our economy. To argue that the Pennine area should be separate because of its manufacturing base is to encourage a parochial view of business.

Graham Jones: Does the hon. Lady not accept that, on travel to work, 84% of the people are contained in the east Lancashire region, and that that is where they work? Does she not accept that there is no economic connectivity of any significant scale between the east and west?

Lorraine Fullbrook: I appreciate the hon. Gentleman's comments but I do not agree, because I believe that industry, the manufacturing base and professional services all have to be integrated across Lancashire.

Graham Jones: Will the hon. Lady give way?

Lorraine Fullbrook: I would like to make progress. We now live in a global economy, which demands a consolidated approach in all sectors: manufacturing, tourism and professional services. I submit that a united Lancashire is a stronger economic powerhouse than one divided into separate bids identified by geography. By unifying the system, the Government are cutting red tape and bureaucracy. Any investor looking to invest in the north-west will automatically be attracted to a unified LEP that offers a one-stop shop.

Graham Jones: Will the hon. Lady give way?

Lorraine Fullbrook: I have nearly finished.

The Business Secretary said last weekend that not one of the three proposals to create the partnerships had been successful, claiming that they would have ended up competing with each other for the Government's regional growth fund. Meanwhile, schemes in Manchester, Merseyside, Greater Manchester and Cheshire have got their acts together and are getting the go-ahead. Other unified LEPs are currently bidding for funds that could be usefully deployed in Lancashire. The North and Western Lancashire chamber of commerce has said that an LEP based on the county of Lancashire is the preferred model for chamber members and the wider business community. On 2 November, Babs Murphy, chief executive of the chamber of commerce, said:

"A pan-Lancashire Local Enterprise Partnership was the only realistic model for this area, a model that had the support of the business community."

Gordon Birtwistle: Will the hon. Lady give way?

Lorraine Fullbrook: I am nearly finished. I hope that we can come together to protect Lancashire as a whole and as a brand. Tourism, manufacturing, agriculture and professional services should unite and, regardless of parochial interests, work together to strengthen and enhance the great economic potential of Lancashire. I echo the words of Frank McKenna, chairman of the business lobbying group, Downtown Preston, who has said that anything other than a pan-Lancashire bid would stifle development and growth.

4.46 pm

Andrew Stephenson (Pendle) (Con): I will refer briefly to some of the comments that have been made. I congratulate the hon. Member for Hyndburn (Graham Jones) on securing the debate. As he pointed out, 84% of the work force in the region live and work in the Pennine Lancashire area, and three times as many people commute to greater Manchester than commute to Preston. It would make far more sense for Pennine Lancashire, if we cannot go alone, to go in with Greater Manchester, rather than with Preston. Going in with Preston would, economically, be complete nonsense. Lancashire is an historic county and there are many things that we can do by working together, and I applaud the work of the county council, but if LEPs are supposed to reflect natural economic areas, the case for Pennine Lancashire is fantastic. I hope that the Minister will set a decision date, and I urge him to bring the issue to a head.

4.47 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I congratulate the hon. Member for Hyndburn (Graham Jones) on securing the debate and thank those Members who have been able to contribute. Although normally only a Minister replies in such debates, I think that it has been useful to allow other Members to contribute in this one. It is clear that there are strongly held differing views, both within the House and among the people whom Members represent. In that context, I want to help and have a positive proposal, to which I will come in a moment.

For the Government, creating the right long-term economic framework, whether in Lancashire or elsewhere, is an extremely important issue, and one that we take very seriously. Having once worked in Lancashire, I know the economic strengths across the county. BAE Systems, for example, has a heavy presence in the hon. Gentleman's constituency, and it also has operations across the county. There is also the nuclear industry and, as others have mentioned, the automotive and paint manufacturing industries.

We believe that Lancashire would benefit—I mean the economy of Lancashire, and there is a slight nuance there—from the focus on economic growth that we

[Mr Mark Prisk]

strongly feel LEPs would bring. On 28 October, we announced the first wave of successful partnerships. In fact, the 24 partnerships that have so far been cleared are diverse, have strong ambitions and are focused on the local priorities that they think matter. They are wide in their scope and imaginative in what they are trying to achieve. If we look at the 24 partnerships that have so far been cleared, we will see that they represent, outside of London, more than half England's gross value added, 58% of the businesses and nearly 60% of the work force.

The point about LEPs is that they should enjoy broad discretion so that they can choose the priorities for action in response to local needs. A number of them are focusing on the need to remove barriers to growth, whether they relate to transport and planning, matching skills provision with employers' needs or helping fledgling companies get off the ground.

As Members will know, we were unable on 28 October to clear every bid we received to become a partnership. Of the three bids we received from Lancashire, we judged that none were ready to proceed without further work. The area covered in what I will call the pan-Lancashire bid included Preston, Lancaster, South Ribble, Chorley and West Lancashire. The Fylde coast bid comprised Blackpool, Fylde and Wyre, and the Pennine Lancashire bid originally comprised the area including Blackburn, Pendle, Ribble Valley, Burnley, Hyndburn and Rossendale. We were impressed by the commitment and ambition demonstrated in all three proposals. As with some of the cleared bids, we saw that there was a real wish to look at how, in response to local need, economies could be diversified. There were strong merits to the bids.

Let me turn to the problems. As they originally stood, the three overlapping bids clearly competed and conflicted with one another. Before we could consider whether they should progress, we had to be confident about the structures, and ensure that they were right for the business community and the communities as a whole. Clearly, where there is strong local disagreement among the potential members of a partnership, the possibility of making that partnership last is sharply diminished. Therefore, it has been disappointing that there have been continuing disagreements across the county, not only in local government but among the business community.

However, I now understand that partners involved with the Lancashire bid and the Fylde coast bid have been having productive discussions about the possibility of joining forces in one partnership. I hope that their discussions reach a successful outcome. It would be progress, but the problem would remain: we would still have two bids in opposition to each another in Lancashire.

To be open with Members, and to allow them to see exactly what the principles are, let me return to the criteria with which we are working. The criteria we set were that every partnership had to demonstrate, first, that it encompasses a natural economic area; secondly, that it has the clear support of business; thirdly, that there is an ambitious approach to transforming the area—something that adds value; and, fourthly, that it has buy-in from the key councils in the designated area. Let me look at the two bids that we are debating in this Chamber today: the pan-Lancashire and Pennine Lancashire bids.

Graham Jones: Will the Minister accept that there is no such thing as pan-Lancashire when we talk about historic Lancashire? We are merging two concepts. Blackpool and Blackburn, particularly Blackburn, are totally resistant, and Blackburn is an equal partner in local government with Hyndburn. They work together effectively. If Blackburn withdraws—it is insisting that it will go with Manchester—there will be no pan-Lancashire solution. There is a Swiss cheese solution that covers the vast majority—12 out of 14—but there is not a 14 out of 14 solution. There is no pan-Lancashire solution.

Mr Prisk: I will not comment on the value of the groupings. They are the ones that came forward. If a group chooses to call itself pan-Lancashire, that is its judgment. Given that we have a pan-Lancashire and a Pennine Lancashire, I thought that it would be easier to use that shorthand so that we know what we are talking about.

On the first criterion, the pan-Lancashire bid represents a strong, functional economic area. On the second criterion, it is clear that the bid enjoys strong business support, particularly from larger employers, but the support is not unanimous. On the third point—this is the issue around ambition and added value—pan-Lancashire also scores well. It would deliver the critical mass needed for Lancashire to compete with the likes of Greater Manchester, Merseyside, and West Yorkshire, as my hon. Friend the Member for South Ribble (Lorraine Fullbrook) pointed out. It would enable a joint approach to be taken on key sectors such as manufacturing. In addition, it includes Central Lancashire and Lancaster universities, and its scale is sufficient to bring together adjacent areas, thereby better integrating transport and planning.

It is the fourth criterion—local government support—that is the root of the problem. Clearly, some councils falling within the geographical scope of the bid are not signed up to it.

Mr Jack Straw (Blackburn) (Lab): Will the Minister be good enough to acknowledge that support for the Pennine Lancashire bid and the serious concern about the so-called pan-Lancashire bid, arise not just from the local authorities in east Lancashire, on an all-party basis, but from the majority of businesses in east Lancashire? I cannot emphasise that point enough. BAE Systems, for reasons that one understands, has decided to sit on the fence, but it is not passionately in favour of one versus the other; if I were in its position, neither would I be. But the East Lancashire chamber of commerce, which is very representative and a very good chamber of commerce, and all the businesses that I know of—I believe that this is shared by my colleagues across the valley—are passionately in favour of the separate east Lancashire solution. In fact, none of us would be supporting that bid if they were not.

Mr Prisk: I totally understand the right hon. Gentleman's point, and I respect the fact that where one is seeking secure evidence, it is inevitably often easier and quicker for larger organisations to respond. We have been mindful

of the fact that there may be smaller businesses, about which we do not have evidence, that may support one bid or the other. I am mindful of the danger of assuming that familiar names on a particular bid's proposal somehow mean that the whole of the business community is unanimous. I am sensitive to that—it is an excellent point. That is why we try to make sure that once we receive bids, we dig beneath the proposals and get a better understanding of the genuine nature of the support or otherwise, so that we can make a value judgment. That allows me to turn to the Pennine Lancashire bid.

On the first criterion—the question of a functional economic area—it has a plausible claim. I understand that economic geography changes. One of the points about changing the regional development agencies is that, in many ways, some of their boundaries simply do not reflect the economies that we have today, which have changed dramatically in the past 10 or 12 years. We think that the Pennine Lancashire bid has a plausible claim to being a functional economic area.

However, its links with other parts of Lancashire and Greater Manchester mean that its economic self-containment is not quite as strong as Lancashire's as a whole. There are pros and cons. The hon. Member for Hyndburn rightly made the point that a high proportion of people work in the area, but we also need to look at the potential long-term success of a partnership—we need to think about its connectivity. The debate is two-sided; nevertheless, it is true to say that there is a plausible argument and a plausible element to the first question on whether there is a functional economic area.

On the second issue, on the evidence that we have to date—I will come to how we might solve this in a moment—the Pennine Lancashire bid's claim, in terms of business support, seems to be smaller than that of the pan-county bid. [Hon. Members: "Not true."] I hope to offer hon. Members a solution to that in a moment.

There is support from local businesses, especially including small and medium-sized enterprises, and I am grateful to hon. Members who highlighted that so that we can make an informed judgment. I am acutely aware of the two different chambers of commerce. I shall not comment on the pros and cons of either, but the fact that historically they exist tells me something about the nature of the economic geography in the county—I do understand it.

On the third criterion, Pennine Lancashire argues that its bid would give it the freedom to build on already close links with Manchester. The evidence is that 17,000 workers travel south to Manchester, and a far smaller number into Preston. I understand the motorway network, and that one does not look west; people look south, if anything, and perhaps a little east. In addition, private sector jobs growth is expected to be focused on Manchester. That brings me back to a point I made earlier about self-containment and balance.

There is then the question of the added value that would come from a Pennine Lancashire bid. We are looking for additionality in the proposal. What is the extra element? That is one of the questions that we want resolved. Like the pan-Lancashire bid, this bid failed on the fourth question—the issue of local authority support—as several hon. Members pointed out.

I am mindful of the challenge. Overall, we feel that the pan-Lancashire bid has some strong elements, but that the Pennine Lancashire bid also has good arguments in its favour. Neither is without its flaws. Like many hon. Members, I am keen to bring the matter to a conclusion without undue delay, so the Government are today asking partners involved in the competing bids to submit revised proposals no later than 8 December. We will write to the proposers today. Any revised proposal needs to be backed up with clear and compelling evidence to support the arguments that it presents. I hope that that clearly spells out the Government's position. We want a lasting partnership, and that means that the partners must agree. We cannot make that happen without there genuinely being such a wish. That is the key point.

Graham Jones: Will the Minister give way?

Mr Prisk: I am running out of time, and I am mindful that I will be in trouble unless Mr Weir allows me to stretch beyond 5 o'clock, but I do not think that I can do that.

We want to make a prompt decision and allow both sides to put their evidence firmly. That will allow us to make a judgment on which should be cleared: one, two or neither. We will seek to make that decision if the evidence is presented to us.

Question put and agreed to.

5 pm

Sitting adjourned.

Westminster Hall

Thursday 25 November 2010

[MR JAMES GRAY *in the Chair*]

BACKBENCH BUSINESS

Transport (CSR)

[Relevant document: uncorrected oral evidence taken before the Transport Committee on Wednesday 24 November 2010, on Transport and the outcome of the Comprehensive Spending Review, HC 630-i.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Newmark.)*

2.30 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I am delighted to have this opportunity to discuss the outcome of the comprehensive spending review in relation to transport. I am pleased to see the Minister of State, Department for Transport, in her place this afternoon. I look forward to hearing her comments and, hopefully, her replies to the questions that I raise. I am also pleased to see here today my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), and I congratulate him on his new position as shadow Transport Minister. He will bring to the post considerable expertise in the transport field.

I welcome the Government's recognition that transport infrastructure is vital in supporting economic growth. The Department has described it as an engine for growth. Repeated statements and announcements have emphasised the Government's commitment to transport, and long-term investment in transport, in supporting our economy. Indeed, good transport links are essential to the movement of goods and people both locally and around the country. We cannot have a successful economy without a good transport infrastructure. However, we need good infrastructure throughout the country. Although I support continued investment in transport in the south and south-east, it must not be at the cost of investment in the north and other parts of the country. I will return to that theme a little later on.

I support what the Government are saying about the importance of investing in transport infrastructure for our future. Looking at the detail of the comprehensive spending review in relation to transport, however, it is apparent that there are many important questions that need to be asked and pursued.

In relation to rail, I am pleased that some commitments previously entered into have been maintained; indeed, it would have been very difficult to abandon them. I am particularly pleased that the allocation to Network Rail and to rail, 2009 to 2014, has been maintained, and that the essential part of the investment in Crossrail has also been honoured. A saving of £1 billion has been found. None the less, that cannot disguise the fact that there are to be major cuts to the transport budget.

According to the Department for Transport's own figures, the overall cut over the four years of the comprehensive spending review comes to 15% in real terms overall. Capital spending is down 11% and resource spending down 21%. Those are major cuts and come on top of the in-year cuts in 2010-11.

Martin Horwood (Cheltenham) (LD): The hon. Lady makes an interesting point. The Labour party submission to the comprehensive spending review suggested that cuts in unprotected Departments such as transport should average no more than 20%. Actually, they have averaged out rather less than that and the Department for Transport significantly less. If she is arguing for even lower cuts in transport budgets, which Departments does she suggest should make greater ones?

Mrs Ellman: The purpose of today's debate is to focus on transport and the implications of the comprehensive spending review for transport services. Indeed, that is the remit of the Transport Committee, so I am concentrating on transport today.

According to the Passenger Transport Executive Group, capital funding for local transport outside London was cut by 19% in 2010-11. It is true that the outcome could have been worse, and comparisons have been drawn with other Departments, but that does not hide the severity of the cuts that will be put in place. There are to be new funds from which transport projects could be supported. The regional growth fund, which started off as a business fund to replace the budgets of the regional development agencies, has been expanded to include transport and some housing projects, and there is to be a local sustainable transport fund. There is no way in which those two funds can even start to replace some of the major cuts that are contained in the comprehensive spending review figures.

At the moment, my Committee is considering the relationship between spending on transport and economic growth. One issue it is considering is the distribution of transport investment around the country. Three times as much transport investment per head is made in London and the south-east as in the northern regions and the midlands. How will the comprehensive spending review impact on the distribution of that transport investment? Will such disparity be reduced or increased? I am very interested to know the answer and whether such an assessment is thought to be important. In relation to budgets, it is extremely important to consider the impact on places around the country as well as nationally.

Many transport schemes are strategic rather than local in nature. In the past, business-led regional development agencies, working with Government offices for the regions, have enabled local government, working with business, to decide on regional priorities and to make representations to Government. That will end. The Secretary of State for Transport has made it clear that the proposed local economic partnerships will not be sufficient on their own to replace those arrangements. He told the Transport Committee only yesterday that he thought that local economic partnerships—I do not know whether he knew exactly how they would be put together—would need to work together, or some other arrangement might be required to look at those very same projects. To my concern, he also said that he did not think that that would be achieved until the end of the Parliament. If those alternative arrangements happen and they do not take place until the end of the Parliament,

[Mrs Ellman]

will the Minister tell us how regional rather than local priorities will be determined? Will the decisions on such projects become centralised? What are the arrangements to be? We cannot wait until the end of the Parliament to know the answers.

Let me turn to roads investment. There are some big questions to raise on the implications of the Budget on roads. The budget for road maintenance is to be reduced by 20%, which is a big reduction. We are told that that will be achieved by efficiency savings rather than by cutting back on important maintenance. We all know that if routine maintenance is not done when it is required, a lot more will be required to be spent at a later date. What kind of mechanisms are in place to monitor how that reduction is to be met? Will it be through efficiency savings or will it mean that important maintenance on our roads is simply not done?

The Highways Agency's capital budget is to be cut by around 50%. That is also a matter of great concern. Seven schemes have been cancelled and the much needed upgrade of the A14 has been sent back to the drawing board. Does that mean the end of major new road-building in Great Britain? It would be helpful to know whether the major cutbacks in that sector are to do with the problems of our times—the Government's wish to move very quickly to remove the deficit—or a basic change in transport policy.

Mr John Leech (Manchester, Withington) (LD): Does the hon. Lady accept that, at a time when money is tight, it is better to invest in public transport than in roads?

Mrs Ellman: It is important to keep a balance in spending. I certainly support continued and, indeed, increased investment in public transport. However, there may be particular road schemes that are very significant to particular areas or that are important to strategies to support economic development in certain parts of the country. Therefore, I would not rule out any particular type of investment, but I am certainly a supporter of investment in public transport.

The Secretary of State announced that 66 major local authority road schemes, which are due to cost £1.7 billion, are competing for more than £900 million-worth of funding. Will the Minister tell us what kind of result she expects to come from that great reduction in funding? Will priority be given to strategic schemes? If so, how will that be assessed and monitored?

Rail is a great success story. During the last decade, rail patronage has increased in a very dramatic way. More and more people want to use rail. Unfortunately, rail's popularity has not been matched by the provision of sufficient or adequate rolling stock to meet that increased need. Therefore, while we have more and more people using rail, we also have more and more overcrowding and I think that we have seen the development of a rather complacent attitude to the health and safety issues related to that overcrowding.

This week, discussion has focused on the concerns raised about the proposed increase in train fares. The coalition agreement spoke about the need for

"fair pricing for rail travel."

It now seems that that "fair pricing" means that regulated fares will be increased in the future not on the basis of the retail prices index plus 1% but on the basis of RPI plus 3% from 2012 onwards. The Government tell us that that is in order to fund much needed investment in rail.

The Association of Train Operating Companies presented such increases as average increases. However, average figures are meaningless to the individual wishing to embark on a rail journey. Already, increases of 13.8% and 9.3% have been reported as planned increases when the new policy comes into force. A lot more should be done also to provide much greater clarity about rail fares, with much greater openness about how cheaper fares can be obtained without the complexities and difficulties of interpreting the rules of different train companies on what constitutes peak-hour travel, so that travel can be made easier for more people.

There is a consequence to increasing rail fares beyond the difficulties it causes individuals, for example in getting to work. The Campaign for Better Transport estimates that fares could be 31% higher by 2015 than they are today. One result of what may well be pricing people off the rail network is that more people may go back to their cars, at a time when we are trying to encourage people to leave their cars and make use of public transport. Indeed, the Government estimate that there will be 4% fewer trips by rail than there would otherwise have been as a direct consequence of the planned fare increases.

Our concern is partly about the economic impact on individuals, including the specific difficulties that individuals may experience in getting to work, but we also have growing environmental concerns. The Climate Change Act 2008 has targets to reduce UK greenhouse gas emissions by 80% by 2050. In 2009, the transport sector accounted for a quarter of domestic carbon dioxide emissions, with 90% of those emissions coming from road transport and 55% from domestic cars alone.

Why, at a time when we are so concerned about environmental issues and when we now have the Climate Change Act, would we deliberately want to price people off rail and encourage them to get back into their cars? Furthermore, are we really so certain that the Government's claim that those increased fares will lead to better investment and improved facilities on the rail network will actually become a reality? The rail structure is very complex and there are big questions to be asked about whether all of us—the traveller and the taxpayer—are getting good value for money from the investment put into rail.

Sir Roy McNulty's report on the rail system and value for money issues will be very important, as will the decisions about rail franchises for the future. If we are to get value for money for the essential funding that goes into rail, it is extremely important that we look carefully at what emerges from Sir Roy McNulty's study. Although I know at this stage that some preliminary conclusions have been drawn, there is no full report yet. I would be pleased to hear from the Minister her understanding of what Sir Roy McNulty might say and what she thinks might be the policy implications of his report.

I welcome this morning's announcement about rail investment, particularly the commitment to electrification of the line between Liverpool, Manchester, Preston and

Blackpool, and the electrification of the Great Western line. However, I want to be quite sure that that electrification will go together with increased provision of rolling stock and carriages on those lines, and indeed on other overcrowded lines. I would also like to know what kind of monitoring will take place of the promises that we heard this morning—promises about other schemes, as well as the two I have mentioned—to ensure that the investment goes ahead as planned and that we have more capacity, more efficient and environmentally friendly rail travel and better value for money at the same time.

I also welcome the Government's statement on their commitment to High Speed 2 and the funding for it. However, it is very important that the benefits of HS2 are maximised and that there is no neglect of investment in the classic network.

Rail freight is also very important. Freight moved by rail accounts for about 9% of all goods moved in the UK and I welcome the Government's commitment to improving investment in rail freight links, specifically those between Southampton and Felixstowe. When the Transport Committee visited Hull recently, to take evidence as part of our inquiry into transport and the economy, we were told about the importance of relatively minor improvements that could enhance access to the Humber port. I hope that those improvements can go ahead and indeed I hope that similar improvements can be made in the Merseyside area. When we talk about rail investment, that debate is often dominated by discussions about passenger rail. We should always remember the importance of freight on rail, too, and the importance of investing in it.

It is also important to look at investment in buses. Indeed, more people travel on buses than on any other mode of public transport. In 2009-10—the last year for which we have figures—5.2 billion passenger journeys were taken on local bus services in Great Britain. That compares with 1.3 billion passenger journeys on rail.

I am extremely concerned about the implications of the comprehensive spending review for funding local bus services. The bus service operator grant will be cut by 20%, local authority revenue for bus services will be cut and we do not yet know how effectively the Local Transport Act 2008 will work to ensure good value for money. We are awaiting the results of the Competition Commission inquiry into the setting of bus fares.

The Government say that they believe that the cuts in the bus service operator grant and other local authority funding, which could have an impact on support for local buses, will have a low impact on services. I am mystified by that and would like to know how the Government arrived at their figures. It seems to me that a 20% reduction in the bus service operator grant, a 28% reduction in local transport revenue funding and the removal of ring-fencing puts a big question mark over how many services that are essential to local people but not necessarily profitable for individual bus operators will be able to continue. I would be grateful for a response.

It is welcome that this Government are honouring their commitment to maintain the national concessionary fares scheme introduced by the previous Government, but the administration of the scheme has changed, and there are now queries about whether the funding for that scheme will go directly to the transport services. Again, I would be grateful for a response on that from the Minister.

Road safety is an important issue that is perhaps not discussed enough—it has not been discussed sufficiently in relation to the comprehensive spending review—but one of the successes of the past decade or so is the reduction in the number of deaths and serious injuries on our roads. In 2009, some 2,222 people were killed on our roads and more than 24,000 were seriously injured. Behind every one of those numbers lies a tragedy, and often a broken family, yet the figures represent an improvement on previous years: 38% fewer people were killed on our roads than in the late 1990s. More progress must be made. I am concerned that the reduction in local funding, combined with the abolition of ring-fenced grants for road safety, will halt the progress made and the decline of deaths and injuries on our roads.

Steve Baker (Wycombe) (Con): I congratulate the hon. Lady on securing this debate. Will she join me in recognising the value of free advanced driver training from organisations such as the Institute of Advanced Motorists, which is available at very little cost to drivers, in raising driving standards and improving safety?

Mrs Ellman: The hon. Gentleman makes an important point. I recognise the value of the training that he mentions, but the reason why we have made such progress in reducing the number of deaths and injuries on our roads, although those numbers are still far too high, is that combined efforts have been made not only to improve training but to improve road design, increase publicity through campaigns, reduce speeds and improve enforcement. It has been a combination of efforts by individuals and organisations, led by strong Government focus and guidance. I am concerned that those things might now recede into the background. That must not happen. I welcome an assurance from the Minister that transport safety, including road safety, will be high on her agenda.

Hidden within the comprehensive spending review are decisions to cut funding in important security areas such as aviation security and major changes, also involving funding reductions, to TRANSEC, which is responsible for security in transport. It is not clear what those changes will mean. When the Select Committee on Transport questioned the Secretary of State for Transport about it yesterday, he said that some of the responsibility for funding aviation security would be transferred from Government to the aviation industry. He also said that he could not say a great deal more about changes to TRANSEC. My concern is that we lack information and clarity about what is happening. It is important for us all to know what is being planned. Is the policy change an effort to increase the effectiveness of security, or is it driven by a wish to reduce costs? Transport security could be put at risk at a time of heightened concern. We need to know more about what is happening.

I also draw attention to concerns about the future of passenger representation. Passenger Focus has done an excellent job of drawing attention to the needs of passengers and travellers. It started with excellent work on the rail industry and has recently been given new responsibilities relating to bus travel, yet the Government's quango hit list stated that Passenger Focus was due for significant reform and changes to its core tasks; I think that those

[Mrs Ellman]

were the words used. How are those core tasks to be defined? Do the Government want to change Passenger Focus's funding and remit because it has been too successful in representing passenger needs? However committed any Government might be to public transport or indeed anything, it is essential to have an independent body that can speak out for the public about those services. I would be concerned if passenger representation were downgraded.

Finally, questions must be asked about the proposed cut of more than 30% to the administration of the Department for Transport and its agencies. First, what does it mean? Is it about being more efficient, or does it mean that the Department and its agencies will not be able to deliver what they are required to deliver with such significantly reduced funding? What does it mean for the Department's agencies? We have already heard about cuts to the Maritime and Coastguard Agency, including the removal of emergency vessels, which it appears is being done without prior consultation. It is unclear what it is all about, and it is concerning. Such drastic reductions in the administration of the Department and its agencies must ring alarm bells. Is it about being efficient – will services be delivered – or is it about more hidden cuts, particularly to those agencies where what is happening is not always immediately apparent?

In conclusion, I welcome the Government's stated commitment to investment in our infrastructure and recognise, looking at what has happened to other Departments, that the cuts could have been much worse. However, great concerns remain about the impact on transport of the comprehensive spending review's cuts. I look forward to hearing the Minister's response to the points that I have made and assure her that the Select Committee will be pursuing the issues in the months ahead. I hope that she will be pleased to receive an invitation from us before too long. We will be pleased to continue this discussion in another room.

2.58 pm

Iain Stewart (Milton Keynes South) (Con): It is a great pleasure to serve under your chairmanship, Mr Gray. I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on securing this debate. I do not intend to speak for very long, as the hon. Lady has comprehensively covered the issues that the Select Committee on Transport is considering and, as a member of that Committee, I do not wish to go over the same ground. For the same reason, I do not intend to comment on the specific projects announced in the comprehensive spending review or subsequent announcements.

I welcome the success of my right hon. Friend the Minister and her colleagues in securing the assessment in the comprehensive spending review. I have to say that I feared it would be much worse and that transport would be one of the easy victims of the cuts that, sadly, must be made. By their very nature, transport projects are long term. If cuts are made, the impact is not always immediately felt. It was very bold and brave of the Government to give priority to the schemes that are for the long-term benefit of the country.

I want to focus on what follows the CSR period. As the hon. Member for Liverpool, Riverside mentioned, one of the Transport Committee's current inquiries is into transport and the economy. As we are in the middle of that inquiry, I do not want to prejudge its conclusions, but I want to put on the record my concern and desire that we should take a longer-term perspective on transport planning in this country. We should take a more strategic, joined-up view. We have had plenty of laudable policies, schemes and reviews of individual modes of transport, whether rail, aviation, roads or maritime. However, historically, we have not taken a joined-up view and considered different modes of transport and how they fit together.

High Speed 2 is a classic example. I will not revisit the debate we had in Westminster Hall earlier this week, but we should not consider that sort of project in isolation. In considering the economic benefits, we look solely at what High Speed 2 can deliver, but such projects should be considered in conjunction with a long-term aviation policy for the United Kingdom. Before we fix the route of High Speed 2, we ought to consider how it should join up with airports in the south-east and the rest of the country. Germany has a multiple airport hub that is well connected by high-speed rail services. High Speed 2 is a multi-billion pound, long-term project and we will get one shot at making it right. Before we commit to a specific route and a vast sum of public expenditure, we ought to make sure that it is thought through strategically.

Martin Horwood: The hon. Gentleman makes the valid point that the project needs to be carefully considered in a strategic context. However, if the logic of high-speed rail is, among other things, to compete with aviation and draw people away from aviation to reduce carbon emissions, surely there is not a terribly strong strategic logic to the scheme making it easier for people to get to airports?

Iain Stewart: I am afraid I disagree with the hon. Gentleman. There will be competition between high-speed rail and short-haul aviation, and I would like the United Kingdom to be part of a Europe-wide high-speed network, so that it is feasible to travel by rail from Birmingham to Paris or Frankfurt. However, it is an inescapable fact that the demands on medium and long-haul air travel will increase and, until an engineer comes up with a solution, we cannot yet take trains across the Atlantic or other expanses of water.

As part of the Transport Committee's inquiry, we visited Birmingham airport a few weeks ago. The people who work there are excited about the High Speed 2 line, because the journey time from the London area to Birmingham airport will be less than 40 minutes. That opens up the prospect of having longer-haul flights from Birmingham and relieving the capacity pressures on south-east England airports. That might not be the only answer, but it is the sort of long-term consideration that transport planning should include.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): Can I take it from the hon. Gentleman's remarks that he accepts the principle that the UK needs an international hub airport, as well as airports that function for shorter haul, and that he believes Heathrow is very important to the UK economy?

Iain Stewart: The United Kingdom certainly needs a hub airport in the broadest sense. I will not go into the relative merits of all the options in this short debate, but if my right hon. Friend the Minister wishes to promote

me to the Government, I would be happy to make such decisions. At the moment, I am afraid such decisions are above my pay grade and that of the hon. Gentleman.

We need to think strategically about what we want the long-term aviation policy of the United Kingdom to be. That might involve Heathrow—although from all the evidence I have seen, I suspect not—or a broader south-east hub and Birmingham, Manchester or other airports in the United Kingdom. The point is that such a long-term view should be considered in conjunction with other strategic projects, such as high-speed rail.

If I may anticipate the comments that I believe my hon. Friend the Member for Pudsey (Stuart Andrew) will be sharing with us in a short time, we should consider specific transport projects in different locales around the country. There are exciting projects in the Leeds area involving trolley buses and other local schemes, which should also be factored into this country's long-term planning. As a small aside, I shall mention that it is my hon. Friend's birthday today. As a birthday present, perhaps the Minister can announce something helpful on the Leeds trolley bus scheme. However, I shall not press that matter any further.

In this country, we are poor at long-term transport planning. Part of the problem is that the tenure of Secretaries of State in the Department for Transport has been very short. Let us consider the average time for which Secretaries of State have served in the past. In the 18 years of Conservative Governments between 1979-1997, there were 12 Secretaries of State for Transport. Under the previous Labour Governments, there were seven Secretaries of State in 13 years—they did not last much longer on average. Transport needs to be pushed up the priority list in government. Again, it is way above my pay grade to determine ministerial appointments and tenure, but I hope that an individual is given the necessary time in post and the flexibility to develop a long-term view.

Those are the main points I wish to put on the record. I have the great pleasure of representing the Transport Committee at a European conference on transport and infrastructure this weekend. I am not a great fan of most things European, but Europe has had a comprehensive, strategic transport plan since 1990. I would like us to replicate that domestically in the United Kingdom. The settlement that my right hon. Friend and her colleagues have secured is, as I have said, very welcome in the context in which we operate. I hope that it will be a sound basis on which we can build a truly long-term national strategic transport plan.

3.8 pm

Barbara Keeley (Worsley and Eccles South) (Lab): It is a pleasure, Mr Gray, to serve under your chairmanship in this debate on transport and the impact of the comprehensive spending review. I congratulate my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) on the excellent way in which she opened the debate.

I want to talk about the proposals made by the Highways Agency to add an additional lane to the M60 between junctions 12 and 15 near Worsley. The decision announced in the spending review to go ahead with that scheme is wrong because it is not a safe option, it will damage the quality of life of my constituents and it does not represent value for money. By going ahead with the scheme in the current restrained financial climate, the Government are opting for what was described by Highways Agency officials at a residents' meeting as a "cheap and cheerful option," rather than making a proper assessment of the causes of the congestion that the additional lane scheme purports to solve.

There are several reasons why the scheme will not improve that stretch of the M60 for motorists. It will also create many issues that will affect my constituents' quality of life. First, the additional lane will not be effective in relieving the congestion on the M60 at peak times. The current congestion is caused not simply by a lack of capacity but by the number and poor design of the junctions in the affected area. On that short stretch of motorway, the M60 interfaces with the M602, the M62 and the A580 East Lancashire road. Traffic on the motorway has to slow down significantly as other traffic weaves across lanes to enter or exit at the junctions. The distance between junctions 12 and 13 is less than half a mile, and on that short stretch, motorists heading into Manchester city centre and or to the busy Trafford centre nearby must cut across each other to get to the right part of the motorway.

Secondly, I believe that the plan itself will put motorists at serious risk. That stretch of the M60 is already dangerous—I will give some statistics later—given the number of closely spaced junctions and the prevalence of heavy goods traffic heading to Manchester city centre and the nearby Trafford Park industrial estate. In fact, the number of large lorries is already set to increase because Peel Holdings, a local firm, has been given the go-ahead to build a large traffic venture called Port Salford at Barton in my constituency. The Highways Agency's proposals will make that stretch of motorway more dangerous still, because the additional lanes scheme will create four much narrower lanes with no hard shoulder. My constituents are very worried about that. As one wrote to me:

> "There is very little margin for error when driving alongside a huge transcontinental lorry. What will it be like with narrower lanes?"

Thirdly, the Highways Agency has failed dismally to take into account the views of local residents on the proposals. The M60 passes extremely close to the homes of my constituents in Worsley, Roe Green and Barton, and even minor motorway works or changes in patterns of traffic can have a major impact on their lives. That stretch of road was not originally a motorway, or even an outer ring road. It started as the Stretford bypass, but residents now have a three-lane motorway, with the threat that it will become a four-lane motorway. Something that starts as a bypass should not end up as a four-lane motorway without much consideration being given to how it will affect local people's lives.

Steve Baker: In my constituency, Wycombe, the M40 had similar beginnings, so I recognise the hon. Lady's point. Noise is a dreadful problem for my constituents who live along the motorway. Is noise also a problem in the case she describes?

Barbara Keeley: I will come on to that point later, but it is difficult to see how any motorway, with increasingly heavy traffic thundering by at various times of the day, can be anything but noisy, so I sympathise with that problem.

[Barbara Keeley]

The initial consultation run by the Highways Agency was dreadful. Having heard nothing at all about the scheme as the local MP, I received a leaflet on a Wednesday informing me that the consultation was due to start on Thursday and would run only until Saturday morning. Most of that short consultation time was during the working day, and across just two days, so most local people could not attend. Hardly any of the residents affected heard about the consultation or were able to attend at such short notice, and there are around 800 households right next to the motorway. Indeed, the few people who were able to attend were shocked to discover, having talked with the engineers present, that the project would entail significant work to move service cables and take the traffic physically closer to their homes and gardens.

We managed, at my insistence, to get the Highways Agency to attend a packed meeting of hundreds of residents. Indeed, we had to turn people away because it was not judged safe to let many more into the hall. The meeting turned into a series of angry exchanges, and the quality of information given by the Highways Agency was very poor. Residents were left feeling confused and with no information. That situation occurred under the previous Government, and I was as critical of the Transport Ministers then as I am now about the scheme, so it is in no way a partisan point. Since then, the Highways Agency has promised regular newsletters, but only one has emerged. It was initially delivered to entirely the wrong residential area, reaching none of the people who will be affected by the changes.

For my constituents, the environmental impact of the widening is a big worry. They are worried not only that traffic will be brought close to their homes but about what will happen to existing measures to deal with noise. There is an acoustic fence and a narrow barrier of trees at different points along the motorway, but that is all that stands between my constituents and all the traffic on the motorway. Indeed, the acoustic fence was installed only after much campaigning by my predecessor, Terry Lewis MP. Any changes to that fence or to the tree barrier would leave local residents much more exposed to noise and to visual and atmospheric pollution, which they do not want.

One resident has already experienced a distressing accident in which a heavy goods vehicle ploughed through the acoustic fence, down the bank and into her garden, killing the driver. She must now face the fact that it is planned to bring that traffic even closer to her home and garden. Another resident was concerned about the impact that the additional lane of traffic would have on the safety of his young children playing in the garden or on the street. Indeed, I understand that a sloping grassy bank with mature shrubs at the end of one small street will be replaced by a vertical brick wall.

Mr James Gray (in the Chair): Order. The hon. Lady will forgive me, but perhaps she would return to the effect of the comprehensive spending review on the Department for Transport. I know that it is a general debate and that she is describing important constituency matters, but perhaps she would come back slightly to the topic of the debate.

Barbara Keeley: Indeed. What I am seeking to show, Mr Gray, is that the scheme, which was authorised in the spending review, represents very poor value for money and that the decision should be reversed. I know that there are many such schemes across the country for which Members are seeking to find funding. I suggest that the scheme for the M60 is of such poor quality and represents such poor value for money in the spending review that it should be changed. As I have mentioned, the scheme is currently priced at between £43 million and £50 million, which is to be spent on development such as replacing the grassy bank with a vertical brick wall. That would be a major change, as many of the residents have rooms that face the motorway.

With regard to whether that decision, which was taken in the spending review, is the right one, I am most concerned about the safety of residents who live adjacent to the motorway. Why does the consideration of reducing congestion not also have to take into account the safety of those who live nearby? Without a hard shoulder, as I have mentioned, traffic will be closer still to residents' homes and gardens, and there has already been more than one incident in which vehicles have ploughed through fences and trees and ended up in gardens, much to the distress of local people.

Statistics on safety from the House of Commons Library show that between 2005 and 2009 there were 189 accidents, involving 310 casualties, between junctions 12 and 15 of the M60. It seems to me that any scheme that causes traffic to speed up in the narrower lanes of that busy stretch of motorway will increase that danger, particularly because it will bring traffic closer to residents' homes.

I believe that the Government need to take a longer-term view and wait until funding is available for a proper and fundamental redesign of the key motorway junctions, because that would deliver a longer-lasting and safer solution for the area. The hon. Member for Milton Keynes South (Iain Stewart) said that we were poor at long-term planning. The proposed scheme is not a good example of any sort of planning. It is unpopular with local people and will be an expensive white elephant, because it will be dangerous, noisy and polluting and will not solve peak-hour congestion problems on the M60. The Government should not be wasting scarce resources on it but should use the money for the many bypasses and much-wanted schemes put forward by hon. Members in various areas of the north-west and throughout the country.

As it happens, a constituent sent me an e-mail today at 1.25 pm, stating:

> "At question time in parliament yesterday the MP for Glossop was seeking funds for a bypass scheme in his constituency, which he said would improve the lives of his constituents. Why is the above scheme going ahead, which not one single constituent wants, and which would make life for the likes of me intolerable during the construction phase and render the value of my property considerably less?"

When I asked about the scheme at Transport questions, the Minister replied that there would be a consultation and that residents could express their concerns. I hope that she is listening today and I urge her and her ministerial colleagues to withdraw the scheme and use the funding elsewhere.

3.19 pm

Martin Vickers (Cleethorpes) (Con): I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on securing the debate. It is a pleasure to have the opportunity to speak. Some of the decisions that affect transport infrastructure are particularly important to my constituency.

Cleethorpes is, as hon. Members will appreciate, the premier resort of the east coast. However, they should also be aware that it takes in the major ports and industrial complexes of Immingham, and the area along the south Humber bank up to Barton-upon-Humber, where the Humber bridge crosses the estuary. I shall return later to the subject of the bridge, and the problems caused by heavy tolls.

First, I welcome the Government's approach within the comprehensive spending review. Despite the difficulties, they have recognised the vital role of transport in allowing business to flourish and bringing growth and employment throughout the country. Public transport of course plays a vital role in the city regions by connecting local people to jobs and other opportunities, including health care and leisure. It ensures that business has access to as wide a labour market as possible. The depth of labour is a critical competitive advantage in the city regions and it is essential to maximise the level of investment and, hence, employment in the economy in the years ahead.

Although investment in transport infrastructure takes a long time to implement, starting now on schemes that will be completed in a few years will not only create much-needed employment at a time of recession in the engineering and construction centres; it will mean that new and improved opportunities are available as the economy improves. Improving the quality, scope and performance of local transport systems is critical to supporting recovery and growth, since competitiveness, and especially the labour market, depend on them. To ensure that city regions retain their cohesiveness and underpinning opportunities, it is vital that we boost the connectivity between the secondary centres. I welcome the Government's increased attention to more effective transit-oriented development, which links spatial, economic and transport strategies. Research has shown that better co-ordination and integration of transport networks can have a sustained impact on economic performance.

Despite a CSR that has been, on the whole, much better, as other hon. Members have said, than was perhaps anticipated, there have been some disappointments in my constituency, particularly over delays to the A160 upgrade and the A18-A180 link road. The A160 upgrade is the link between the M180 and Immingham docks. It has long been a national priority to improve access to our major ports. Measured by tonnage the Immingham-Grimsby dock complex is the largest in the UK. The Humber bank is an established centre for energy refining and chemicals and is ideally placed to become a hub for the renewable energy sector following the granting of planning permission for the south Humber gateway project, which will provide about 4,500 jobs in the first five years and the prospect of many more in the following decade. Access via the A160 has, as I mentioned, been delayed.

My hon. Friend the Member for Brigg and Goole (Andrew Percy) and I met senior executives from the developers, Able UK, only yesterday. They remain optimistic, and reassured us that there will be no delays in their plans, but they would like reassurance from the Government that if their development proceeds ahead of schedule consideration can be given to rescheduling the A160 upgrade. I appreciate that the Minister may not be able to give an assurance on that today, but I want to flag it up as one of the points that will be raised when a delegation meets one of her colleagues in a couple of weeks.

I welcome the increased investment in the Yorkshire and Humber region, although it still falls behind that in many other regions. There is general acceptance, however one calculates the figures, that spending in our region has, measured on a per capita basis, been well below that in other regions. That is even more true for those of us on the periphery of our region. The Lincolnshire part of the Yorkshire and Humber region has every justification to think that it has not been well served by various Departments and agencies. Only yesterday, my constituent Steve Ashton drew my attention to the Government publication "Transport and the Economy" which gave the 2008 figures as £248 per head of population for Yorkshire and Humber, compared with £259 in the west midlands and £287 in the north-west. Needless to say, there were very much larger figures for London and the south-east.

Not only is my constituency located at the edge of the region; it is also on the boundary between the east midlands and the Yorkshire and Humber region. Both regions have suffered over the years from reduced spending. We would benefit from the upgrading of the A46 from Lincoln through to Cleethorpes, and the extremely dangerous A15 between Lincoln and Scunthorpe. I accept that that is not an immediate prospect, but I want to flag it up for the future because it is vital for the tourism and industrial sectors.

I welcome the answer that the Secretary of State gave yesterday to the Select Committee on Transport, when he said that the Department had made a significant contribution to the regional growth fund and mentioned his hope that transport projects will benefit from the fund. That is clearly a possible funding stream for the very modest £8 million A18-A180 link road that would increase access to Immingham docks, and relieve congestion, giving much relief to Immingham residents.

To turn to the subject of rail services, earlier this week my hon. Friend the Member for Brigg and Goole and I met executives from Alliance Rail, which is an open access provider looking to introduce four direct services per day from Cleethorpes, via Scunthorpe, to King's Cross. That is extremely helpful. Many of the established franchise operators tend to want to increase capacity by just increasing the number of services on existing well-served routes, whereas the open access providers, as has been demonstrated by Hull Trains, Grand Central and so on meet areas such as mine, on the coast, which are not on the direct services.

Finally, perhaps I may remind the Minister, as I said I would, about the problem of Humber bridge tolls. She visited the area about this time last year, and the Treasury-led review that she promised then has now come to pass. I plead with her to do all that she can to ensure that a sustainable result comes from the review. We have had years of tinkering, which has helped at the edges, but we urgently need the job opportunities that will open up to local people without that barrier between them.

[Martin Vickers]

I welcome the Government's decision taken in the CSR, which has proved to be much better than we hoped. It would be much appreciated if the Minister would consider those of us on the periphery.

3.27 pm

Stuart Andrew (Pudsey) (Con): It is a pleasure to take part in the debate under your chairmanship, Mr Gray. I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on securing the debate.

I shall try to keep my remarks short, because other hon. Members want to speak, but it is important to remember the context of the debate. There is no doubt that we are living in incredibly challenging times, and the debt that we had was spiralling out of control. When we look further afield, particularly at Ireland, Portugal, Greece and Spain, we see that dealing with the debt is a necessity. The deficit reduction plan is not easy but, for the sake of future generations, it is our duty and responsibility to deal with it. Despite the fact that we face that huge challenge, I, like my hon. Friends, welcome the fact that the Department for Transport has managed to limit the reduction to about 15% in real terms. That is quite an achievement, given the severity of the economic situation, particularly as the Labour party had plans for a 50% reduction. That plan would have meant many more projects falling off the list. It is a testament to the Department's hard work that we have achieved this settlement.

The importance of the transport infrastructure cannot be overstated. It is one of the keys to growing our economy in these difficult times and it enables people and businesses to travel effectively and help the UK become even more competitive.

Transport really does provide the crucial links that allow people and businesses to prosper. As a Northern MP, I am acutely aware of how important it is, particularly if we are to encourage growth across the country and ensure that the increased prosperity that we hope will come spreads beyond the south-east.

I have long campaigned and complained about the lack of a fair settlement for Yorkshire when it comes to transport, at the same time recognising that investment in London and the south-east encourages more economic growth for the whole country. However, Yorkshire has had a poor deal, as my hon. Friend the Member for Cleethorpes (Martin Vickers) said. Not so long ago, Leeds and Yorkshire and Humber had £100 a head less spent on transport compared with the national average—not just London but the national average. As a result, we have been left with congestion and overcrowding problems.

Leeds has enjoyed a renaissance over the past 20 years, but our transport system has been struggling to cope. The increased economic activity over those years has resulted in people from all over West Yorkshire travelling in and out of the city and clogging up the roads, particularly the M62. I am therefore delighted that the Transport Secretary announced additional capacity on the M62 near Leeds around junctions 25 to 30. That will help enormously in moving traffic from the north-west into Yorkshire and back.

I also welcome the fact that the Department and Ministers have secured funding for south access to Leeds railway station. That station is one of the busiest in the country, but it is accessible only from the northern side. The south access will mean that journey times for the southern part of the city will be cut. At the same time, it will offer an opportunity for economic growth in that part of the city, which has lagged behind the rest of Leeds.

One of the most significant announcements that we have had from the Government was about High Speed 2. It is no exaggeration to say that people and businesses in Yorkshire are delighted with the decision, particularly the decision in favour of the Y route. There was a great deal of concern that the Government might have gone for the other option, which would have involved sending us all to Manchester before sending us on to Leeds. I would not be as complimentary to my right hon. Friend the Minister if she had come to that decision. I am very grateful, and I want to put on the record the thanks of the people of Yorkshire and the north-east.

In fact, HS2 is a real chance to break down the north-south divide, which has been a problem for successive Governments of all parties. That, coupled with the announcement today about investment in our railways, is considerable news, given our hopes for a better economic climate.

There are also several projects in the development pool and, if Members will indulge my continuing to be a little parochial, I would like to mention two. The first, to which my hon. Friend the Member for Milton Keynes South (Iain Stewart) referred, is the New Generation Transport trolley bus. Leeds has been led down the garden path over many years. We were promised a supertram, millions of pounds were spent preparing for it, and then the rug was pulled from under us. We were told to go back to the drawing board, and now we have come up with the trolley bus scheme. One of the big problems that people face and businesses complain about is the fact that there is no integrated transport in the city of Leeds. This project will really help to get people around the city once they are in it.

We look with envy at the transport systems in cities such as Manchester, Sheffield and Nottingham, and are simply asking for a bit of the cake. We recognise that more work has to be done, and people on the city council and in Metro are working incredibly hard—they have done a tremendous amount of work, it has to be said—to try to make the scheme affordable. I commend their work.

Another scheme in the comprehensive spending review is the Leeds city region rail growth package. There is no doubt that Leeds and Yorkshire as a whole would benefit greatly from it. Improving access to the region's wider rail network will provide capacity for future demand while reducing congestion in city centres and major transport corridors. The package represents strong value for money. It would make best use of existing infrastructure, and fill gaps and pinch points.

Under the proposals, there would be two new stations: one at Kirkstall Forge, to be delivered in early 2014, and the other at Apperley Bridge, to be delivered 12 months later. Those two stations are of particular concern to my constituency.

To give a bit of background, there were many mills in my constituency over the years; sadly, they have gone. In their place, we have many new residential developments, but there has been no investment in infrastructure to

cope with the increased population. As a result, the one main road that takes people from the north side of my constituency into Leeds is heavily congested. Those two stations would offer a real solution to getting people in and out of the city effectively, sustainably and, obviously, in an environmentally friendly way.

What is good about the project is that 17% of the costs will be met by the Commercial Estates Group and its investors—well over the minimum requirement of 10%—and stakeholder support has been secured from Network Rail, Northern Rail, CEG, Bradford city council, Leeds city council and Metro. The Kirkstall Forge station would bring numerous benefits to Leeds, with £350 million of investment flooding into the area. Approximately 1,100 homes, flats and duplex apartments are included in the scheme. The impact on employment in the area would be significant: it is estimated that approximately 2,400 new jobs will be created. There would be a £4 million contribution from CEG's investors to delivery of the rail growth package, which will cost £23 million. I cannot emphasise how important both the stations would be to our city, but particularly to my constituency.

As my hon. Friend the Member for Milton Keynes South was kind enough to mention earlier, it is my birthday. I do not want a card or a cake, but if I can have two stations, I would be very happy.

3.37 pm

Martin Horwood (Cheltenham) (LD): It is a pleasure to serve under your chairmanship, Mr Gray. I, too, commend the hon. Member for Liverpool, Riverside (Mrs Ellman) for leading this debate.

The overall context of this debate is the comprehensive spending review and the need to tackle the country's deficit. The overspend inherited from the previous Government is so great that one could cut the entire Department for Transport budget—every penny of Government money spent on buses, trains, roads, tube lines and so on—10 times over and still be overspending. That is the scale of the task faced by the Government in trying to rebalance the economy.

In that context, for the Department to have achieved a cut of only 15% over four years is to be genuinely celebrated. It is well below the average for Government Departments, and is reflective, I hope, of a good and robust case put to the Treasury. It certainly reflects the importance of transport to this Government, which is very much to be welcomed. From a Liberal Democrat perspective, the importance of transport is that it will help to improve the economy again, and it will also help us to achieve the boldly stated aim of being the greenest Government ever. Those two in combination should lead to a model of more sustainable prosperity, which is very much to be desired.

Some of the expectations of the comprehensive spending review have genuinely been confounded. We spoke a little about the bus service operating grant. Any cut in it is to be regretted, and I am sure that Ministers regret it as much as I do, but it was widely discussed as potentially 50%. A cut of only 20% is relatively benign, and I believe that bus service operators have assured Ministers, including the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker), that it can be absorbed, hopefully without increases in fares. I shall return to the bus service operating grant later.

Comment in the transport press has been favourable. *Local Transport Today*, a newspaper that I am learning to read avidly, commented in an editorial:

> "Philip Hammond will be a happy man this week...The DfT's 15% budget reduction over the next four years is lower than the 19% Government average and the Department's reduction in capital funding (11%) is far better than the 29% average."

That is all to the good. As part of the package, there are new Government funding lines that are particularly to be welcomed. The local sustainable transport fund of £560 million over four years reflects the importance of localism to this Government, and has an explicit link to the reduction of CO_2 emissions, which is very welcome. I hope that grants made under that scheme are for measures to increase the importance of cycling and walking at a local level, as well as for more traditional travel projects.

As the Secretary of State confirmed in an answer to me earlier today, there is also the use of the new methodology for calculating the future cost of carbon. One of the most disastrous calculations by the previous Government was their use of an adulterated version of what was recommended by the Stern review to calculate the future cost of carbon emissions, which is, in effect, the value of future lives lost by climate change. They so heavily discounted that rate that projects such as the third runway at Heathrow looked economic when the cost of climate change was taken into account. It took only a change in the calculation for the idea of a third runway to look as bad as it does, and for the project to be rightly stopped. I am pleased that the new methodology will be adopted in calculations relating to all future projects.

Jim Fitzpatrick: Notwithstanding how carbon is calculated—I do not for a second accept that the methodology was in any way, shape or form flawed—does the hon. Gentleman actually believe that if Heathrow ceases to be a hub, aviation will decrease? Does he not accept that logically Schiphol, Charles de Gaulle or Frankfurt would become the European hub, which would probably be welcomed by Brussels, and that the UK economy would then be in disbenefit?

Martin Horwood: I am rather surprised that the hon. Gentleman thinks that the methodology was not flawed. It was changed in March, and the now leader of the Labour party, the former Secretary of State for Energy and Climate Change, rightly presided over that change, which this Government, who took office shortly afterwards, took up. I think that the hon. Gentleman needs to be careful about his calculations.

As far as the other airports are concerned, it is very important that aviation is constrained across the European Union, and indeed around the world, as part of our assault on the threat of climate change. Unless the hon. Gentleman is challenging the methodology used by Sir Nicholas Stern—now Lord Stern—in his review, which was commissioned by the previous leader of the Labour party and Prime Minister, he will have to explain what methodology he would use to reflect the true economic cost of the threat of climate change. The methodology has been widely accepted in business and by investors

[Martin Horwood]

and is now part of business calculations, and the use by the previous Government—until they changed their mind at the very last minute—of an incorrect and adulterated version of the cost of carbon, deviated from good business practice, apart from anything else.

On assessing project impact, I recommend that Ministers look carefully at the new approach to appraisal—NATA—assessment framework, and ensure that environmental and quality-of-life benefits are properly reflected. My noble Friend Lord Bradshaw in another place has made some very valuable and typically learned critiques of NATA, and I commend them to Ministers.

On railways, Ministers can be very happy indeed. The overall balance of investment in the Department will shift from 49 to 60% for rail by 2014-15, and that is exactly the right direction of travel. I am delighted that major projects such as Crossrail, Thameslink, the tube upgrades and, of course, High Speed 2 are all secure and that High Speed 2 in particular will, assuming that it is extended to Scotland, in the very long term deliver substantial reductions in aviation within the UK. I take the points made by other hon. Members on this earlier, but High Speed 2 is a very important contribution to rebalancing and making more environmentally friendly our whole approach to transport; that has been the experience of high-speed rail wherever it has been introduced around the world in competition with aviation.

Today, significant investment in new rolling stock was announced, with 600 new carriages for Crossrail and 1,200 for Thameslink, which in turn will free up hundreds of electric carriages for redeployment on newly electrified routes elsewhere and help to make the case for those new routes economic, which is very important. That, in turn, will free up diesel rolling stock for other routes, and help to support their economics. We have had additional announcements on developments at Reading, Birmingham New Street and other stations, on the east coast and midland main lines, and in Manchester and south Wales, and the confirmation, which is very important to colleagues in Scotland, that the inter-city express programme has been narrowed to two options, both of which include absolutely through services, and do not therefore raise the prospect of parts of Scotland being cut off by the need to change trains.

I would also welcome the schemes previously announced by the Department, which are reflected in the settlement for light rail, trams and ultra-light rail schemes. Those mentioned are Greater Manchester Metrolink, the Blackpool and Fleetwood tramway upgrade and the Tyne and Wear metro upgrade, and there are plenty of others that we could consider. The hon. Member for Pudsey (Stuart Andrew) made a very powerful case for Leeds, and the Leeds new generation transport scheme is in the development pool, which means that it has a fair chance of success. I wish him well in putting forward a strong case for the Leeds light rail system.

There are other schemes even further into the future, and I must mention the ultra-light rail system being fought for in Gloucestershire. We recognise that it is a long way off in terms of public funding, but important steps can be taken to support it. Most obviously, since it is intended that the system will reuse railway lines that were closed down by Dr Beeching, Ministers could look, perhaps with the Department for Communities and Local Government, at the new planning framework to ensure that nothing is done that prejudices such development. That would be an important way to support the future development of ultra-light rail.

On roads, I welcome many of the announcements, including the confirmation that support for electric car-charging infrastructure will go ahead. With the possibility of "hybrid hybrid vehicles"—those that run on electric batteries until the batteries run out and then revert to more conventional hybrid vehicle technology—we might be within sight of escaping the chicken and egg situation, in which the car-charging points cannot be rolled out until the electric vehicles are there to produce the demand for them, but the demand for the electric vehicles cannot be there until there are charging points. There is now the prospect of beginning to move forward in the electric car market, and the Government's clear support for that is very important.

I am pleased that the main focus of the Department's spending is shifting more towards maintenance and away from new roads, but the Liberal Democrats might have gone further and looked rather more critically at many of the other new road projects. I was very interested in what the hon. Member for Worsley and Eccles South (Barbara Keeley) said about the M60 project. It certainly sounds as though the Highways Agency's consultation process has left a very great deal to be desired in that case, and could be critically looked at again. I also suggest that Ministers cast a particularly critical eye over the suggested upgrade of the junctions between the M4 and the M5 in my part of the world. I travelled the M4 and the M5 recently by car, and found no particular problems at the junctions or with the interaction between the two motorways, so I am not sure what the justification for the project is. I urge Ministers to keep all new motorway projects under very close review.

Not all road projects are bad, however. The Mersey gateway bridge project, which is in the supported pool and is therefore certainly being given a fair wind by the Government, could substantially reduce carbon emissions by increasing walking and cycling and considerably shortening car journeys in Merseyside. It would obviously also bring economic benefits. One last comment on roads is that with snow and ice possibly being a topical issue even before the end of the week, it is very welcome that the Local Government Association reports substantial extra investment in the provision of grit by local authorities, but I urge Ministers to keep a weather eye on that because we have seen some disasters in the past, when grit has run out. Grit suppliers particularly need to be encouraged to maintain supplies to local government as a high priority.

I am concerned about buses. I agree with the hon. Member for Liverpool, Riverside, who emphasised the importance of the number of bus users in the country. Some 5 billion to 6 billion bus journeys are undertaken a year. The bus sector faces a potential triple whammy from the CSR. There is an admittedly modest reduction in the bus service operator grant, but the maintenance of the concessionary fares scheme is an important political commitment, which I support in principle. In fact, I should like it to be extended to 16 to 18-year-olds, in line with the policy of the UK Youth Parliament. That scheme is imposed on local authorities in a way that is inflexible for them and they have no way to control its costs. Its incorporation into the formula

grant in future will lead local authorities to make some difficult choices about how to spend money locally. Since local authorities also subsidise many bus routes, those three things could combine and put a lot of local bus services at risk. That would damage our commitment to public transport and greener transport and would put rural bus services in particular at risk, which would not be welcome. Will Ministers meet their colleagues from the Department for Communities and Local Government and local council leaders from the Local Government Association, urgently to discuss the likely impact of the CSR on the bus sector?

Some responses could be made to the threat to the bus sector that do not involve spending large amounts of public money. It is instructive that bus journeys in London are on an upward trend, whereas bus journeys in the rest of the country are on a downward trend. Those of us outside London might mention the probably well deserved but quite generous subsidy that public transport in London gets relative to the rest of the country. But we could also mention the Oyster card and the use of smart technology, which makes it easier for people to use buses in London and the enormously better marketing and provision of information about routes in London at every bus stop and online. Certainly, that is in sharp contrast to the situation in Gloucestershire and many other parts of the country, which makes buses virtually incomprehensible and difficult for consumers to use reliably.

Mrs Ellman: Does the hon. Gentleman accept that the distinction between the rise of bus services in London and, until recently, reduced use in the rest of the country is attributable largely to the fact that deregulation was never applied in London in the same way as it was in the rest of the country? Does he agree that the provisions in the Local Transport Act 2008 to give local authorities more powers over bus operators must be implemented?

Martin Horwood: Deregulation played a role. In terms of the co-ordinated provision of information and marketing and selling bus transport to local populations, it is much more difficult in areas where buses have been so comprehensively deregulated. I do not think that the renationalisation of bus services nationwide is likely. Much as I would love to overturn some of Mrs Thatcher's legacies, we probably should not concentrate on that one.

My point is that there are solutions to trying to support commercially viable bus routes, or making those routes more commercially viable, that do not necessarily involve large sums of public money and might be about smarter and more intelligent policy locally.

I should like to highlight two local issues. On the Dartford crossing, a small but locally important part of the CSR will maintain the toll regime for its 150,000 users a day. I understand the Government's case for that, because it is part of an investment in future transport provision in that area and traffic management will be improved, and so on. But the original idea was that the toll would cease when the Dartford crossing had been paid for. I am afraid that it has now been paid for, so there is some fairly justifiable anger locally that this is continuing.

The Minister knows that none of my speeches are complete without a reference to the redoubling of the Swindon to Kemble line in the south-west of England. That is potentially the only rail project that the Government might cancel, which would be regrettable. It is important to the west of England and south Wales, and to Welsh Members and, I suspect, to my neighbour the hon. Member for Stroud (Neil Carmichael).

Neil Carmichael (Stroud) (Con): My hon. Friend is an excellent neighbour. We both make the same point, which is that the Stroud-Kemble line should be redoubled, if at all possible. The case for that is strong both in terms of business and tourism. It is a good idea to encourage people to use the rail system by ensuring that the magic figure of less than two hours for a rail journey from Gloucester to London is achieved.

Martin Horwood: The hon. Gentleman makes a powerful case that all Gloucestershire MPs from all parties agree with. Even when there were Labour MPs in Gloucestershire, they agreed too and strongly supported it. That project would increase the reliability and the number of through services in many ways, which is important for Gloucestershire and for the rest of the network in the area, not least because of what one Welsh Assembly Member described as

"an insurance policy against interruption in the Severn Tunnel."

The Swindon to Kemble line has regional implications. It was, I think, a strange aberration by the Office of Rail Regulation not to include that line in the Network Rail major investment plan. I hope that the Government will see a way to rectifying that mistake.

Overall, the picture from the CSR, as the dust settles on the battleground, shows that the Government have secured substantial investment in transport, particularly shifting the balance of investment towards more environmentally sustainable forms of transport, which is important for the period of the CSR and for future generations for many years to come, and I congratulate Ministers on achieving it.

3.57 pm

Jackie Doyle-Price (Thurrock) (Con): It is a great pleasure to contribute to this debate, because I represent a constituency that is at the heart of the logistics sector and for which the transport infrastructure and its efficiency is essential.

At a time when the public purse is under such pressure, the Government's determination to protect spending on transport infrastructure should be commended. I congratulate my colleagues on securing what was, in the end, a good settlement for the Department. However, the pot of money is finite and a number of road projects have had to be shelved. Naturally, I understand the need for that, but I am mindful of the overall need to encourage growth in our economy so that we can repair the state of our finances. The Government have made the wrong call in respect of the proposed improvements at junction 30 of the M25, which have been postponed. This is not a parochial point, for reasons that I will explain.

The M25 is by far the busiest stretch of road in our country. It is also a vital element of our national road infrastructure and an essential artery for the lifeblood of our economy. It was therefore essential that the Government proceeded with the widening of the M25, recognising that too long had been spent talking about

[Jackie Doyle-Price]

that project but not enough had been said about its delivery. The Government have shelved planned improvements to junction 30 until later than 2015, which will cause disadvantage not only to my constituents, but to the business community across south Essex and to UK plc.

For colleagues who do not appreciate the geography of my constituency, let me quickly explain. Thurrock is adjacent to London. The M25 runs through the western part of my constituency and joins the Dartford crossing, which the hon. Member for Cheltenham (Martin Horwood) mentioned and which starts southbound at Purfleet. The A13 is the main arterial road, running from London through the borough of Thurrock and intersecting with the M25 at junction 30. Junction 30 is also adjacent to 31, which is where the M25 intersects with the old A13.

Mr James Gray (in the Chair): Order. I apologise for interrupting the hon. Lady, but can I ask her to keep her comments to the CSR as it affects public transport? Of course, almost any transport project is affected by the CSR, and I understand that, but perhaps her points could be general rather than particular.

Jackie Doyle-Price: Thank you, Mr Gray. I have come to the end of the geographical comments. The point is that junction 30 is the place where so much traffic is impeded. It serves the Lakeside shopping centre and the port of Tilbury, which obviously needs access to transport goods around the country. About 92% of people travelling to the Lakeside shopping centre by car use that junction, and hon. Members will understand the impact of that volume of traffic. The traffic often spills on to the local road network and causes congestion, as well as going on to the M25 and, of course, the Dartford crossing.

We have a considerable number of local businesses which, as I mentioned, have an impact on UK plc. We must tackle junction 30 to enable south Essex to grow and business opportunities to expand. If I may crave your indulgence, Mr Gray, I will give two examples: the supply of Fairy liquid for the whole of Europe is made in my constituency, as is every jar of Hellmann's mayonnaise. That needs to be transported around the country, and one can see the importance of West Thurrock as an industrial hub.

I have spoken with local businesses about the impact of junction 30 and congestion at the Dartford crossing on their business. Carpetright has its corporate headquarters at West Thurrock; 80% of the carpets that it supplies to the nation are cut on that site, generating £212 million. It told me that there are 3,500 lorry movements a year, which will have to attack the M25 via junction 30. It also estimates that 100 man hours a week are lost in traffic delays. Charles Gee, a local haulage firm, concludes that congestion around junction 30 and the Dartford crossing increases its fuel costs by £35,000 a year. That is the overall picture. I firmly believe that the congestion at junction 30, where the M25, the Dartford crossing and the A13 intersect, causes serious problems for local businesses and inhibits their opportunities to grow.

Barbara Keeley: The hon. Lady makes a strong case about junction 30 of the M25. Does she find it as puzzling as I do that, to take two congested stretches, the scheme that she mentions is shelved and does not go ahead, despite the strong case that she makes, but the totally unwanted scheme—the additional lane on the M60 that local people do not want at all—is to go ahead? I would generously offer up our scheme for the one that the hon. Lady wants.

Jackie Doyle-Price: I hope that the Minister was listening to the hon. Lady; I was struck by what she said. When I hear the business community in my constituency crying out for increased local investment and telling me that their biggest concern is the poor transport infrastructure, I am sure that such a plan would be welcome. It would be interesting to know why such a conclusion has been reached.

The Minister of State, Department for Transport (Mrs Theresa Villiers): Let me set the record straight after the comments made by the hon. Member for Worsley and Eccles South (Barbara Keeley). The project under discussion has not been "shelved"; it is in the programme that we hope to take forward post-2015. There has been a postponement, but not a cancellation.

Jackie Doyle-Price: I am grateful to the Minister. The point is that for my business constituents, the improvements cannot come soon enough. That brings me to the point raised by the hon. Member for Cheltenham about the Dartford tunnel. As I said, we are at the northbound point of the Dartford crossing. There is light at the end of the tunnel for the funding of improvements to junction 30, and that is the Dartford tunnel. As the hon. Gentleman said, the CSR proposed a 66% increase in tolls, and there is a lot of local anger about that. The deal was for the tolls to be cancelled once the crossing had been funded, but we have long passed that point. Having said that, my constituents are really quite hacked off with the number of times that they get caught on the local road network, and they would take it on the chin if the tolls were increased as long as they got something out of the deal. If we are looking at where funding from that increase in tolls is to be spent, I hope that my corner of south Essex gets its fair share.

Let me re-emphasise the need to invest in improvements to junction 30. I would also like to see the proposals in the CSR for an additional crossing brought forward sooner rather than later. The congestion on the M25, and the crossing in particular, have been neglected for far too many years. We must have a consensus on where an additional crossing should be constructed. As we know, traffic volume continues to grow exponentially and we are always playing catch-up with such things. I understand that revenues will be hypothecated for transport investment, and my plea is for Thurrock and south Essex to be looked on favourably. That would be good not only for my constituents but for UK plc and the businesses that I have mentioned.

4.6 pm

Angie Bray (Ealing Central and Acton) (Con): I am delighted to contribute to the debate under your chairmanship, Mr Gray, and I offer my congratulations to the hon. Member for Liverpool, Riverside (Mrs Ellman) on securing this important debate.

I am going to echo many of the remarks already made by colleagues. Given the economic situation that the coalition Government inherited, we might have expected a transport settlement that was significantly

grimmer than turned out to be the case. I congratulate the Department for Transport on doing so well in difficult times. We can all be relieved, to say the least.

I speak as a London MP, and I will unashamedly limit my remarks to London. Hon. Members will be glad to know that I also intend to keep my remarks brief. In my view, London has done rather well out of the transport settlement: Crossrail, tube upgrades, Thameslink and extra rolling stock are all good announcements for London. I know that hon. Members from other regions often view London as being rather greedy in its funding needs. However, I must point out that London is our capital city, and it will be one of the great driving forces behind getting back to economic growth. I cannot resist the danger of irritating hon. Members even further by directing their attention to an interesting article in *The Economist* that points out that investment in capital projects such as those in transport in London and the south-east tends to get a much better return than investment in other regions. Investment in transport projects around London is always money well spent.

Martin Horwood: I would like to point out that I was not accusing London of being greedy. I welcome investment in many London projects, particularly Crossrail, which will enable people to get into London, through it and out the other side quite quickly.

Angie Bray: I thank the hon. Gentleman for that additional helpful remark. Crossrail has always been a huge issue for my constituency and it sits at the heart of our plans for regenerating Ealing and Acton town centres. We hoped so much to get the news that the project would definitely go ahead, and there was a huge sigh of relief around my constituency once that announcement was made in the comprehensive spending review. We hope that Crossrail will bring greater numbers of visitors to both town centres. It will be our task to find ways of persuading people off the Crossrail trains and into those town centres, where we hope that they will spend considerably more money. I understand that there may be some time slippage in the Crossrail project, but I suspect that that may also be due to tunnelling problems that have been encountered. Nevertheless, it is great to know that the project is going to go ahead in its entirety.

I have a plea for the Minister. Ealing Broadway station is one of the busiest transport hubs in west London. It is also one of the most hazardous, with steep stairs, no disabled access to the platforms and a small ticket hall that becomes crowded to an incredibly dangerous degree. Can work be expedited at that station, if at all possible? I hate to say this, but it is an accident waiting to happen.

The problem has been that people living in Ealing have been told for so many years that they cannot have any improvements because Crossrail is just round the corner. As we all know, however, Crossrail has been just round the corner for decades. Now that it really does seem to be on the home straight—in sight—please can there be no more delay for Ealing Broadway station? We have been waiting somewhat impatiently for the option designs for the stations, but I am now hoping to have a meeting with representatives of Crossrail in the next couple of weeks, so that we can see those more detailed options.

The London tube upgrades are another essential investment that will now go ahead. All of us experience the London underground at some stage as we spend time here in the capital city, and I think that all of us would say that the London underground broadly delivers a reasonable service, albeit that we sometimes feel like we are being herded into cattle trucks, particularly at certain times of the day. The problem is that there are continual and frequent problems on all the lines at one stage or another.

The signal box at Edgware Road is a good example. I am reliably told that it dates back to the 1920s. It sits across some incredibly busy and important lines. When we consider that so many passengers are under the control of a signal box that goes back that far, we recognise the importance of getting the London underground up to date if London is to retain its position as one of the world's premier cities, and as we move back towards economic growth.

I was delighted to hear that the Thameslink programme had been given the green light, so to speak. That will be great news for taking pressure off many of the other services going through London and into and out of London. I was particularly pleased to hear today the announcement of extra rolling stock. West London services are very congested for quite a lot of the time, particularly during peak hours. A recent survey conducted by a local transport group showed that a very large percentage of passengers going in and out of central London from all the stations across Ealing have been finding not only that the trains are impossibly crowded, but that quite often they cannot get on them at all. First Great Western has been putting in bids for extra rolling stock for some time. I hope that as the extra rolling stock is rolled out, the Minister will have a particularly keen ear for the bids from First Great Western for extra help on some of those west London services.

Obviously, the less popular flipside of the coin is the fare increases. There is no doubt about this. No one likes having to pay more for a journey that at best is only ever the same, but quite often seems to be getting worse as the carriages get more crowded or there are delays or other problems. Clearly, however, a balance must be struck between the interests of taxpayers and of passengers. That is always the problem.

The hon. Member for Liverpool, Riverside says that she fears that higher fares will encourage more people off public transport and back on to the roads. I accept that that may well be something to be concerned about, but surely it is equally true that only if we can provide new, modern, improved public transport will we encourage more people to use public transport. That is where the difficult balance lies. It always has to be a balance, and that balance has to be set, of course, in the context of what the public purse can afford.

4.14 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): It is a pleasure to be here under your chairmanship, Mr Gray. This is the first time that I have spoken from the Opposition side of this Chamber. I would naturally rather be where the Minister is and I certainly was there for a couple of years. It reminds me of the question asked by many people about what it is like being in opposition after 13 years. As a former Minister responsible

[Jim Fitzpatrick]

for road safety, I use a roads analogy. I tell people that it is like when they go to Europe for the first time and drive on the right-hand side of the road. It is strange, but I get it; I know what I am supposed to be doing. However, every junction and every occasion have to be approached with additional care.

Like other hon. Members, I congratulate the Chairman of the Select Committee on Transport, my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), on securing the debate, on the way in which she introduced it and on the way in which she leads her Committee. She is very highly regarded in the House, as all new Members will quickly come to realise, if they have not already.

Conservative Members may not be surprised to hear that I do not accept their rosy view of the impact of the comprehensive spending review on transport. The CSR settlement will mean a scaling back of Labour's plans for transport infrastructure and a significant increase in the burden that falls on passengers through increased fares. I shall try to comment on hon. Members' contributions later in my remarks.

The Department's budget has suffered a 15% cut in real terms. That includes not only savings of 21% from the resource budget but, more worryingly, an 11% reduction in capital spending. The implications of that will be felt not just by the travelling public. Because investment in infrastructure projects is vital to growth, it will also affect the recovery, manufacturing and jobs.

Mrs Villiers *rose—*

Jim Fitzpatrick: I am delighted to give way to the Minister.

Mrs Villiers: The Budget produced by the Government of whom the hon. Gentleman was a member put in place a predicted 50% reduction in capital spending. In the light of that, is it not the case that an 11% cut for transport is really not a bad result in comparison with what other Departments are subject to?

Jim Fitzpatrick: I do not for a second, in any way, shape or form, do anything other than congratulate the Ministers on fighting their corner for transport, but when I explain later why I am disappointed with the outcome, the details of the position will become clearer.

The Secretary of State has been over-spinning his settlement as a great success when it is nothing of the kind. Even the Institute for Fiscal Studies listed the Department for Transport as a "loser" in the CSR. Combined with the huge reductions in funding for local government, the impact will be felt by passengers throughout the country.

The Government are trying to get away with these myths: that Labour was planning a much bigger cut in capital spending and that the present Government are proceeding with even more spending on capital projects than was planned by Labour. Both claims are not true. First, the Government have set out spending plans to 2015, for the whole five-year Parliament. They are therefore never comparing like with like. That is classic smoke and mirrors, and I cannot believe that any Government would get up to such tricks.

Secondly, the Government insist on changing the point that they use as their baseline to suit their case. The reality is that even before the CSR, the Government had made £683 million-worth of spending cuts, including £309 million from local transport grants—made up of £61 million from major local authority schemes, £151 million from integrated transport block grant, £8 million from the urban congestion fund, £17 million from the road safety capital grant and £20 million from the road safety revenue grant—£108 million from Transport for London, £100 million from Network Rail, resulting in the scrapping of the better rail stations programme to upgrade 10 key national interchange stations judged the worst in the country, £54 million by deferring schemes and £112 million in internal cuts from the DFT, including staffing.

Mrs Villiers: The hon. Gentleman is identifying certain cuts that he alleges are being made, which clearly he is concerned about. If he will not accept reductions in certain transport programmes, where does he expect the reductions to come in order to tackle the deficit that the Government he was a member of left to us?

Jim Fitzpatrick: We do not accept for a second, as was clearly outlined by my right hon. Friend the shadow Chancellor in a speech only last month, that it was a Labour deficit. The deficit was created by an international banking crisis that started in the US. Most other countries copied the UK Government's solution in restabilising their financial institutions and trying to ensure that the economy was in a position to recover.

We accept that cuts have to be made. We do not demur from that in any way, shape or form. I shall come to that in a second.

Stuart Andrew: Does the hon. Gentleman also accept that the Government he was a member of did not put money aside in the good times so that when the bad times came we were in a better position to deal with that, as other countries such as Australia did?

Jim Fitzpatrick: No, I do not accept that position either. The year before the crisis hit, we were borrowing 2.4% of GDP, compared with the 3.4% that we inherited from the previous Conservative Chancellor, the right hon. and learned Member for Rushcliffe (Mr Clarke). Almost all our borrowing financed capital investment in schools, hospitals, road and rail.

The second myth about our record is that even if the public finances' overall were under control, we were spending too much. We do not accept the allegation that what we were spending on schools and hospitals was excessive given the size of our economy. It was in line with other industrialised countries.

Angie Bray *rose—*

Jim Fitzpatrick: I give way to the hon. Lady—the debate has certainly livened up, Mr Gray.

Angie Bray: The facts show that from 2002 onwards, Labour Chancellors were £30 billion short of what they were spending. Whatever they were spending money on, they were spending too much. From 2002, we were running a £30 billion deficit year on year. That is how we got to the level of debt that we now have, regardless of the breakdown of the banks.

Mr James Gray (in the Chair): Order. The debate has livened up, but it is also ranging fairly widely.

Jim Fitzpatrick: I will do my best to close that down and get back to my text, which I assure you, Mr Gray, is focused on the CSR.

To respond to the hon. Member for Ealing Central and Acton (Angie Bray), spending under Labour was not out of control. It was strongly supported by both coalition partners at the time. Indeed, there were criticisms from the Secretary of State for Business, Innovation and Skills and the Chancellor when they were in opposition that we were not spending enough. I therefore do not accept the hon. Lady's argument.

To follow your admonition, Mr Gray, and return to my text, the shadow Chancellor has proposed additional taxation on the banking industry that would raise £7.5 billion and enable us almost to halve the Government's cut of a third to infrastructure spending. As I have said to the Minister, there would have been cuts under Labour, but they would not have been so severe and the burden would not have been put on passengers through huge hikes in fares.

As an aside, the UK Chamber of Shipping president, Mr Jan Kopernicki, was recently quoted as saying that not bringing forward the new Type 26 frigates from 2020 to assist in dealing with piracy would cost the UK economy and endanger British and other shipping. I ask the Minister to pass that message back to the Treasury and the Ministry of Defence.

In government, Labour delivered major improvements to our rail network, resulting in greater reliability, faster journey times and more passengers than at any time since the 1940s. We set out an ambitious long-term vision for conventional rail alongside our ambitious high-speed rail plans. Our plans included new capacity, better infrastructure and a strategic freight network. We had no plans to make passengers pay more for less, because if people see fares increasing when plans for new capacity and infrastructure are being cut, fewer people travel by rail and there is increased congestion on our roads.

I welcome the fact that the Government have changed their position and now support the Labour Government's proposed route for High Speed 2. That was more of a Y-turn than a U-turn. There are clearly splits in the Cabinet over this issue and even, we read, threats of resignation. I assure the Minister that the Opposition understand the economic importance of the project. It will bring the west midlands within about half an hour of London and deliver journey times of 75 minutes or less from Leeds, Sheffield and Manchester to the capital. Connections to existing tracks will enable direct high-speed train services to Glasgow, Edinburgh, Newcastle and Liverpool.

We also welcome the Secretary of State's confirmation this morning that some of Labour's plans for additional investment in rail infrastructure will go ahead, including electrification projects, new carriages and station improvements. We do not welcome the delays and reductions in vital projects such as Crossrail, which was mentioned by the hon. Member for Ealing Central and Acton. Crossrail will make journeys across London faster, allow direct access from Heathrow to the City, enable 200 million passenger journeys a year, add 30,000 high-value jobs to London in the first 10 years of its operation and add an estimated £20 billion to the UK's GDP.

Mrs Villiers: I had hoped that the shadow Minister would recognise that it is a great result that we have been able to save Crossrail despite the crisis in the public finances. He should also acknowledge that the lengthening of the delivery time for the central section was the result of an engineering-led review on how to deliver the project in the most cost-effective way for the taxpayer.

Jim Fitzpatrick: I do not want to be churlish and I fully welcome the commitment to Crossrail. This project has been on the stocks since about 1880. The hon. Member for Ealing Central and Acton said that it had been decades, but it has actually been planned in one shape or form for more than a century. I hope that the Minister will be generous enough to congratulate the previous Prime Minister, who ultimately grasped the nettle and said that the project must go ahead, in conjunction with the Mayor of London, the City and the CBI. I would be grateful if she updated us on the time frame for the completion of the branches of Crossrail to Shenfield, Maidenhead and Abbey Wood. I am not sure whether it is on track to meet the time scale mentioned by the Secretary of State this morning.

We oppose the Government's decisions on fares. They have made two decisions that we believe will drive people off the railways and back on to the roads, increase congestion and hit competitiveness and growth. First, they chose to reverse the decision that Labour took in government to require train companies to apply fare limits to all fares equally, rather than hike some significantly and offset that by making smaller reductions on others. This week, we have seen the result of that change, with commuters being stung by rises of well over 10% on some routes, just at a time when families are being squeezed by wage freezes, the coming VAT increase and cuts to tax credits and child benefit.

Secondly, the Government decided to make things even worse for rail passengers by allowing fares to rise by 3% above inflation. Since 2004, the cap on increases to regulated fares has been RPI plus 1. From 1999 to 2003, it was RPI minus 1, and from 1995 to 1998, it was equal to RPI. The Secretary of State keeps claiming that increases across the CSR period will be only 10%. By our calculations, RPI plus 3 delivers a cumulative increase of more than 30% on the inflation forecasts of the Government's Office for Budget Responsibility. The Secretary of State's constituents will see their annual season ticket from Weybridge rise from £2,272 to more than £3,000. As shadow Secretary of State for Transport, the Minister warned that such a rise would price people off the railways. Her Department has confirmed that it expects that passengers will opt for other forms of transport. That is a betrayal of passengers by the coalition, which said in its programme for government that it was

"committed to fair pricing for rail travel."

It is an even bigger betrayal by the Liberal Democrats, who pledged a real-terms cut in rail fares in their manifesto.

Not only rail passengers but bus users have been hit by Government. The cut to the bus service operators grant, which has been mentioned by several hon. Members,

[Jim Fitzpatrick]

will have a devastating effect on many local bus services, particularly in rural and remote areas, which will not survive without subsidy. The BSOG is a subsidy to bus operators that covers most of the cost of fuel duty. It helps operators to keep fares down and to continue running less profitable or unprofitable services. According to Department for Transport figures, without BSOG we would see a 6.5% increase in fares and a 6.7% fall in bus usage. The social and economic effects would be even greater. With more services becoming unprofitable, more would be taken off the road.

The Government are telling people to get on the bus to find work, but people have to be able to afford to do so. The impact of this cut will be felt especially by those who are out of work and looking for a job. Two thirds of jobseekers do not have a driving licence or access to a car. Research by the social exclusion unit discovered that 38% of jobseekers found that transport was a major obstacle to finding work. People should be getting on the bus to find a job, but there must be a bus there in the first place.

The impact of the CSR settlement on local transport spending will soon be felt by the public. Labour doubled investment in local transport between 1997 and 2010 because we understand how vital local transport schemes are to reducing congestion, to making city and town centres more accessible, and to the creation of local and regional economic growth and jobs. The £309 million a year cut to local transport grants will be followed by significant cuts throughout the spending review period of 28%.

The Secretary of State has cut the number of transport grant schemes from 26 to four under the guise of simplification. We support making the system simpler, saving councils time and money on bids to different funding streams, but he knows that the cut is being used to disguise the significant reduction in the funds available to local government.

Road schemes are being hit hard. We were clear that we would have had to make reductions in the road budget. The Government, however, have pushed back many schemes that we would have taken forward, and even the money allocated to fund the schemes that have been given a green light will require major cuts of, on average, 25%.

Finally, there is real concern at the impact of the cuts on road safety. Cuts to road safety grants to local authorities were part of the Department for Transport's in-year savings announced in May—£17 million from the road safety capital grant and £20 million from the road safety revenue grant. Following the reform of transport grants to local government announced in the spending review, there is now no specific grant funding for road safety.

Local authorities, facing cuts to their budgets of a third, will be under pressure to cut the funds for road safety and for speed cameras. Only this week, research has shown that 70 more people will die and 700 more will be injured if speed cameras are removed. It is staggering that the Government have admitted, in answer to a parliamentary question this week, that they carried out no assessment of the impact on road accidents and deaths of the decision to cut road safety grants and to end funding for speed cameras.

We have not seen so far the publication of an updated road safety strategy—a parliamentary answer that I received this morning said that it would be published early in the next year. As my hon. Friend the Member for Liverpool, Riverside, the Chair of the Select Committee, remarked, we have seen a gradual and significant 20-year decline in the number of deaths and serious injuries on our roads. I hate to say it, but that trend is in jeopardy as a result of some of the decisions.

On aviation, the coalition is poised to add further increases to air passenger duty. Does the Minister realise that adding air passenger duty to the cost of a visa from, for example, China, means that the cost of visiting the UK will be £612?

Mrs Villiers: Does the hon. Gentleman appreciate that the increases to air passenger duty which have just been implemented were legislated for by his Government? They are his decisions. How can he criticise us for going ahead with them?

Jim Fitzpatrick: The increases that were being introduced—further increases are being considered—are not being introduced in the way that we planned.

My point is that, if we add the cost of APD to the cost of a visa from China to the UK, it comes to £612, compared with £212 to go to Paris, flying economy. Flying business class, it costs £952 to London, compared with £332 to Paris. Might that explain why France received 688,000 Chinese visitors in 2008, when the UK only managed 108,000?

Will the Minister take that message to the Prime Minister? His recent mission to China was important, and we fully supported it, but to ensure that it is the Chinese destination of choice the UK must be as attractive as possible. Those figures seem to undermine the recent visit and the message that the Prime Minister took to the Chinese Government that UK plc is open to business—the strong message is that the Chinese should come via Paris, because it is much cheaper.

I will not raise the issue of aviation capacity in the south-east again, other than to say that our only international hub losing out to Charles de Gaulle, Frankfurt or Schiphol will act as another disincentive for business people to come to London. Given that Dubai now has six runways and offers access to the Americas for people from India and further east, we need to ensure that the UK is as accessible as possible, to attract those people.

Mrs Villiers: Can the hon. Gentleman set out his party's position on a third runway at Heathrow? Is Labour for it or against it?

Jim Fitzpatrick: The Minister is teasing me. She knows full well that we just lost a general election on a policy of an additional runway at Heathrow and that my new leader—who, as the hon. Member for Cheltenham (Martin Horwood) mentioned earlier, had a particular view when Secretary of State at the Department of Energy and Climate Change—has announced that we are reviewing all our transport policy. I do not accept, by the way, that the methodology was flawed, although I accept that it has been upgraded and improved—"flawed" suggests that there was some skulduggery somewhere, which I do not buy in any way, shape or form.

The last question on aviation hubs is whether the Minister is worried that Brussels might be happy for Heathrow to lose its international hub role in favour of other parts of Europe.

Angie Bray: On the issue of six runways in Dubai, does the hon. Gentleman accept that Heathrow has no chance on earth of having six runways because of its geography? The problem with setting up Heathrow as a hub that can permanently compete with other cities that have their airports where they can continue to expand them—to four, five or six runways—is that we can never do that. We are utterly constrained by the geography. The third runway was about as much as we could ever have got anyway, and then only by jamming it in. To continue to compete in that way, therefore, is just throwing good money after bad.

Jim Fitzpatrick: I hear the hon. Lady's comments and, as I said to the Minister, the electorate have expressed a view—certainly in west London—on additional capacity at Heathrow. I understand that the Department will be instigating a review of south-east capacity running to 2015, which seems a long time scale, and that the aviation policy will be written in a few months' time. With the greatest of respect to the hon. Lady and to some of her colleagues who are new members of the Transport Committee, a hub airport is a critical piece of infrastructure for any country. Heathrow is running at 98.5% capacity—we will not have a hub if it is not Heathrow.

A strong point of view is that we should not have a hub and that we should deter and discourage people from travelling by air. The problem is that the impact on the UK economy, as a result of what aviation brings to UK plc, will be harmful. That is my personal point of view, but colleagues may want to consider the views of the CBI, the London and UK chambers of commerce, London First and the business community about the impact and role of Heathrow and whether capacity is needed.

Angie Bray: Nothing can change the geography. No one can change the geography of the area—one cannot get six runways in there.

Jim Fitzpatrick: I apologise. The hon. Lady mentioned six runways, and she is absolutely right—the third runway was about it. I only mentioned six runways to demonstrate that other countries are investing heavily in aviation infrastructure. A 25% increase is expected in China and south-east Asia over the next 10 years. People will fly—they will fly to the Americas from India, China and Australia, but, if they use Dubai as the stopping point for that part of the world, it will become increasingly difficult to get them to come to northern Europe. If we get them to come to northern Europe, they will not come to Heathrow if it is not functioning as effectively as we all want it to—again, that is an impact on UK plc. However, on the six runways, the hon. Lady is absolutely right, forgive me—I mentioned them only because I had been to see Dubai's Aviation Minister, and had seen the runways and how amazing that was.

My last point on aviation is that I agree with the concern expressed by my hon. Friend the Member for Liverpool, Riverside, the Chairman of the Select Committee, about the future of TRANSEC and the impact of the CSR on security at airports and ports. More information is needed. I hope that the Minister will be able to comment, but obviously I understand the sensitivity around security issues. Perhaps she can comment, however, on the loss of expertise from TRANSEC as a result of impending retirements—early retirements due to potential redundancies—and, indeed, of redundancies. TRANSEC is an important organisation, and none of us want to see it damaged. It plays too important a role in our national security.

I will refer briefly to some comments of colleagues and reinforce points to which the Minister might wish to respond. The hon. Member for Milton Keynes South (Iain Stewart) raised the issue of high-speed rail. He got close to being drawn into aviation policy by his hon. Friend the Member for Cheltenham, but managed to stay away from it. I am sure his time on the Transport Committee will allow him the opportunity to examine closely the whole aviation issue.

My hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) asked a number of questions of importance to her constituents and about the value-for-money issue. I look forward to the Minister's response, especially as my hon. Friend was saying that the Highways Agency described the scheme she was concerned about as cheap and cheerful and not managed as we expect our modern motorways to function—without overhead signs controlling flows and changes to bridges. I understand that the scheme was referred back to the Highways Agency, but it has now been decided to plug ahead. As my hon. Friend the Member for Worsley and Eccles South strongly said, it is regarded as a waste of money. Indeed, she offered it to the hon. Member for Thurrock (Jackie Doyle-Price). I am not sure whether that generosity of spirit is normal between opposing parties, but I see that the point was well taken.

Among other matters, the hon. Member for Cleethorpes (Martin Vickers) raised questions on the role of ports and shipping. I agree with him that that sector's profile does not match its economic significance. As a former Minister with responsibility for shipping, I look forward to hearing more from him in the years ahead.

The hon. Member for Pudsey (Stuart Andrew) cast an envious eye at Manchester and Sheffield; he asked for only two stations at Leeds. As it is the hon. Gentleman's birthday, I would be interested to see how that request tests the Minister's generosity.

The hon. Member for Cheltenham said that business accepted the need for restrictions on aviation. As I said earlier, I am not sure that I agree, and I shall not go there again.

The hon. Member for Thurrock spoke about the junction between the M25 and the A13. I am fairly familiar with it, as I lived in Barking for 20 years before moving to Poplar, Limehouse and Tower Hamlets. I know, as the hon. Lady does, that the new ports being built will add to the volume of traffic. Improvements to the junction were being considered by the previous Government in conjunction with the industry and the local authorities, because it is clearly a choke point. Something needs to be done.

As an aside, I believe that there are some 23 crossings on the Thames to the west of Tower bridge and only three to the east. With the regeneration of docklands, at

[Jim Fitzpatrick]

least half of London's population will be living east of Tower bridge, and there will be much more development on our side of the capital in the years ahead. I look forward to the Mayor of London revisiting the question of an additional crossing, which might marginally help the hon. Member for Thurrock. When the Mayor—Boris Johnson or his successor—comes forward with a proposal, as I am sure he will, I hope that the Department for Transport will support and encourage it. It will obviously be a financial risk for London, not the Department, but DFT support will be critical in ensuring that the project moves forward positively.

The hon. Member for Ealing Central and Acton raised a hugely important question on London's transport, as did several colleagues, saying that if London does not function efficiently the whole of UK plc will suffer. Although some cast an envious eye on London and the support that the capital city gets, if London does not function the whole country suffers. I know that all parties in London are supportive of the hon. Lady's comments.

The comprehensive spending review settlement is far from the huge triumph being spun by Ministers. It will see investment in our transport infrastructure being reduced far faster and more brutally than would have been the case under Labour. Not only will passengers be paying more for less, but they will feel the real burden of the cuts. The reality is that the Government are investing in rail schemes that they inherited from the previous Government, but with delays. Although passengers will see the benefit, the cost will fall on commuters through hikes in fares.

The Government have covered up a massive cut in funding for local government, disguising it as a commitment to localism, local decision-making and simplification, but the reality is that they are leaving the pain of making the inevitable cuts to local authorities and letting them take the blame. The comprehensive spending review settlement for transport is bad news for passengers, particularly commuters, bad news for safety on our roads, bad news for those who rely on buses to get to work or to find work and, most of all, bad news for business, competitiveness, jobs and growth.

4.43 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure, Mr Gray, to serve under your chairmanship. I am delighted that the Backbench Business Committee chose to put this debate on the agenda, and I pay tribute to all who have taken part, especially the Chairman of the Select Committee on Transport, the hon. Member for Liverpool, Riverside (Mrs Ellman), and I thank the hon. Lady for her cogent and thorough introduction to the important issues that we have been debating this afternoon.

On 20 October, my right hon. Friend the Chancellor set out the coalition Government's four-year plan to tackle the most urgent issue facing Britain today—mending our public finances and putting them on a sustainable footing. Several Members, including my hon. Friend the Member for Pudsey (Stuart Andrew), said that the situation that the Government inherited from our predecessors has put us in an extremely difficult position. Left unchanged, the spending position that we inherited would have seen Britain paying out £70 billion a year by the end of this Parliament, which is more than we spend on educating our children and defending our country put together.

We heard from the hon. Member for Liverpool, Riverside that, as part of the CSR settlement, the Department for Transport will reduce overall spending by 15%. Savings of 21% will need to be made from resource budgets, and 11% from capital. There is no doubt that cuts on that scale mean that difficult choices will have to be made. We very much wish that we did not have to make them, but the reality is, as many Members have acknowledged, that transport has come out of the spending review in a far stronger position than many expected. Among those who made that point were the hon. Member for Cheltenham (Martin Horwood) and my hon. Friends the Members for Pudsey, for Thurrock (Jackie Doyle-Price) and for Ealing Central and Acton (Angie Bray).

The Government want to break away from the recurrent pattern of spending squeezes of past years when, more or less inevitably, the axe fell first and hardest on transport infrastructure projects. As my hon. Friend the Member for Milton Keynes South (Iain Stewart) acknowledged, transport has been given a high priority in the spending review, which reflects the economic benefits that can be generated by investing in our transport infrastructure. Cutting waste, reforming the welfare system and scaling back lower priority programmes has enabled us to prioritise spending in order to boost long-term economic growth. That includes an extensive programme of investment in the nation's transport infrastructure. As the hon. Member for Cheltenham said, it also recognises the importance of addressing climate change by supporting programmes to decarbonise mobility and travel.

I turn to a matter that was of huge importance to many who spoke this afternoon, albeit from different perspectives. That, of course, is balancing the needs of the various parts of the United Kingdom. My hon. Friend the Member for Cleethorpes (Martin Vickers) made a passionate plea for priority for north Lincolnshire and for the needs of peripheral regions. As ever, my hon. Friend the Member for Pudsey made a case for Yorkshire; those of my hon. Friends who represent Yorkshire constituencies always make articulate representations in transport debates. My hon. Friend the Member for Ealing Central and Acton pointed out the benefits that can accrue to the whole of the UK through investment in the capital's infrastructure, as it is a major generator of economic growth.

We have a clear commitment to rebalance our economy; we are committed to addressing the north-south divide; and we are clearly committed to dealing with the challenges faced by regions such as the north-east, which have a particularly strong dependence on jobs in the public sector. In making our decisions on transport spending, we sought to take account of those priorities and commitments, as well as the competing needs of the different regions. We can never come up with a solution that pleases everyone, but we have made great efforts to be fair, and we are proceeding with a number of major schemes in the English regions, many of which are in the north.

The hon. Member for Liverpool, Riverside rightly emphasised the importance of local involvement in prioritising transport projects. It was not possible to get

the entire local enterprise partnership decision-making process up and running in time to influence and inform the decisions that we had to make in the CSR. We have to get on with those projects, as many have argued. We could not stand still and wait for the new structures to be created, so we depended on the advice of the older structures—the regional ones. When taking future decisions on transport priorities, we will seek to engage with local stakeholders and LEPs as soon as practicably possible. We cannot just wait for five years and not engage locally. As soon as the LEP structure is up and running, we will seek to engage LEPs in our transport decisions.

Jim Fitzpatrick: Forgive me, I should know the answer, but do LEPs cover the whole country, or only parts of it?

Mrs Villiers: I understand that all local authorities will have the opportunity to set up LEPs, but I am not an expert in how the process works. As has been acknowledged, there is a good case for LEPs getting together, so that we can consider transport matters across a wider area. It obviously makes a great deal of sense to consider units such as travel-to-work areas, which may be considerably larger than the LEP areas themselves. LEPs working together will be constructive.

Mrs Ellman: I thank the right hon. Lady for attempting to answer my question. Will she acknowledge that there is still a major problem in that LEPs have not been formed in many parts of the country? When the Committee visited Hull, local businesses expressed grave concerns about the inadequacy of the LEP structures. Although she states that her Government will not wait until the end of this Parliament to set up an appropriate structure to deal with transport issues, can she give me any timetable for when she will be able to do so? After all, if she decides to destroy one structure, she should have a better one already in place.

Mrs Villiers: As soon as LEPs are up and running, we will engage with them about our decisions on transport projects. If there are gaps in the LEP map, we will engage with the local authorities in those areas that are not covered by LEPs and take on board their views and concerns.

The hon. Member for Cheltenham mentioned reform of the appraisal system. As he acknowledged, we have made efforts to reform the New Approach to Appraisal system to put a more realistic price on carbon, and to address the anomalous emphasis on additional fuel duty revenues for the Exchequer being discounted from the overall cost of the project. Further reform is planned, but it is important to reform the system so that we have a more realistic assessment of the carbon impact of different transport choices because we want to choose the projects that are consistent with our climate change goals.

The Chairman of the Transport Committee expressed concerns about emergency towing vehicles. Ship salvage is a commercial matter between a ship's operator and the established salvage industry, and we have every confidence that there is capacity in the salvage industry to support ships in difficulty from September 2011 at commercial rates.

As for rail, it is very clear that we have had to take a difficult decision on fares. Of course, I wish that we could have avoided that, but the scale of the deficit that we inherited severely constrains our choices. Without the three years of retail prices index plus 3% increases that we announced, it simply would not be possible to deliver vital capacity improvements that passengers need.

The hon. Member for Liverpool, Riverside emphasised the importance of rail services in tackling climate change; I agree and that is why we have made such a major commitment to investment in rail. She also emphasised the importance both to passengers and taxpayers of getting value for money from the railways. She asked me to pre-empt the publication of the McNulty review. I had better not do that, but she will appreciate that one of the key problems that has been identified across the industry is the mismatch between incentives. Aligning incentives more effectively between the train operators and those responsible for maintaining and running the tracks is one possible way in which we can start to reduce costs in the rail industry and put our railways on a more sustainable financial footing. That is essential if we are to deliver value for money for passengers.

The hon. Lady also called for more transparency around fares; there is scope for that. Greater efforts are under way to ensure that consumers know exactly what deals are available. Increasing consumer understanding of the range of rail fares is an important goal. She also recognised that some fares are considerably lower than in past years. That is not something that one would recognise from reading the papers, but lower fares are out there, and increasing numbers of passengers are taking advantage of them. That said, we understand the concerns of many commuters about rail fares. As I have said, we have been forced into a difficult decision by the deficit that we inherited.

We have seen a shift in departmental priorities. Rail has come out much better from the spending review than other transport programmes. The programme of rail capacity upgrades is extensive—arguably, the most extensive in modern history. Crossrail is going ahead according to its original scope. Despite all the scare stories, there has been no announcement that the limbs will be amputated. We expect services to be phased in from 2018 across the Crossrail network. Savings worth some £1 billion have been identified through addressing risks and undertaking an engineering-led review of the most cost-effective way to deliver the central section, including lengthening the delivery time by around a year. We continue to work with Crossrail Ltd, the Mayor and Transport for London to optimise the scheme's value for money.

My hon. Friend the Member for Ealing Central and Acton emphasised the importance of pressing ahead with work on the new stations. I am pleased to hear that she will be able to see the station designs for Ealing Broadway soon. Our goal is to keep up the pressure to ensure that we meet the delivery timetable that has been set.

The Chairman of the Transport Committee expressed concern about the position of TRANSEC and the budget allocated to transport security. There will be reductions of 25%, but it is well worth emphasising that the total industry spend on aviation security is more than £350 million. The bulk of the spending on aviation security is made by the industry because it delivers

[Mrs Villiers]

aviation security on the ground. She will appreciate that the 25% reduction that was discussed in the Committee yesterday relates to departmental activity, which is the overview, the policy, and the regulatory and supervision aspects. The savings are deliverable without compromising security outcomes. We recognise that maintaining passenger safety and security is of paramount importance. Administrative reform and reorganisation—rationalising certain training programmes, having to target our research programme and reducing some of our network of aviation advisers around the world—will enable us to deliver those savings without compromising passenger security.

Jim Fitzpatrick: Will the right hon. Lady confirm that the 25% savings will not have a negative impact on security because of redundancies or early retirements?

Mrs Villiers: The shadow Minister makes an important point about the reductions in head count that need to be made not just at TRANSEC but across the board. In making those decisions, it is a top priority to keep hold of the people whose skills are most vitally needed. That is the case with TRANSEC and across the Department.

Subject to the outcome of a rigorous and comprehensive consultation, our plan is to proceed towards construction of a new high-speed rail line, connecting London and Birmingham, and then on to Manchester and Leeds. My hon. Friend the Member for Milton Keynes South emphasised the importance of getting the route right; I completely agree with him, which is why we will have an extensive consultation. He also talked about the importance of getting right the connections to airports; I agree on that and work is under way on those issues. We need to look at not just Heathrow but Birmingham airport and then Manchester airport to see how we can connect them effectively to the new high-speed rail network.

The hon. Member for Liverpool, Riverside emphasised the importance of ensuring continued investment in the conventional network alongside high-speed rail; I agree and that is what we have committed to do. The coalition has also confirmed £2.1 billion to fund Network Rail's station improvement programme, which includes £650 million to complete the work on transforming Birmingham New Street into a gateway worthy of the UK's second city.

Schemes are also going ahead to improve the passenger experience at King's Cross and Gatwick airport stations. The funding has been confirmed for the works under way at Reading, which will improve reliability across the whole of the Great Western main line. Work on the Midland main line will deliver faster and more reliable journeys in the east midlands and South Yorkshire. Improvements on the east coast main line will improve journeys in the north-east and Scotland.

Funding has been confirmed for vital rail freight improvements between Southampton and the west coast main line, and between Felixstowe and Nuneaton. I welcome the support from the hon. Member for Liverpool, Riverside on that issue.

Jim Fitzpatrick: I just wanted to ask the right hon. Lady about the impact of the changes at TRANSEC on ports. Obviously, most people associate TRANSEC with aviation and airports. There is no specific reduction in respect of that transport mode. Regarding shipping and interconnectivity, can she tell us what the spend is for upgrading the freight lines from ports?

Mrs Villiers: Regarding the changes at TRANSEC, in making the efficiencies that we have to make, of course we will fully take on board any impact on ports and shipping. Obviously, the bulk of TRANSEC's work and the bulk of its funding tends to be focused on aviation, but that does not mean that we should underrate the importance of ensuring that we maintain high levels of security for our ports and shipping, too.

Regarding the rail freight upgrades, we are committed to carrying forward work on the strategic freight network. I always think that that is one of the programmes on which the previous Government did some of their best work. There was a lot of engagement with the industry to focus on those upgrades that would have the biggest economic impact and that would have the most impact on taking freight off the road and on to rail.

The comprehensive spending review announced electrification of the railways between Preston, Blackpool, Manchester and Liverpool. Work will also go ahead to improve journey times on the crucial route between Liverpool, Manchester and Leeds. The hon. Member for Liverpool, Riverside asked me to ensure that careful monitoring was undertaken to ensure delivery. Of course it is absolutely right that she should ask that and I know that the Office of Rail Regulation will be very focused on keeping Network Rail to its timetable. She also asked if electrification would be accompanied in due course by new rolling stock. Yes, of course—there is no point electrifying a railway unless there is some rolling stock to use on it. So that improvement will be part of the improvements that we want to see in the north-west.

This morning, the Secretary of State informed the House that funding for Thameslink had been confirmed. Thameslink will virtually double the number of north-south trains running through London. To reduce risks, we have lengthened the delivery programme, so completion is now expected in 2018. My right hon. Friend also gave the green light for the addition of 650 carriages, which will address some of the worst overcrowding hot spots around the country. Those carriages will be in service by March 2014 and they are in addition to the 800 net additional carriages for Thameslink and for Crossrail.

Several points were made in the debate about rolling stock; I think that we heard from several hon. Members about the importance of introducing more rolling stock. I listened with interest to the references to discussions on the Leeds trolley bus by my hon. Friend the Member for Pudsey. I am not able to give him a "yes" today, even though it is his birthday, but he has made his representations very strongly. I also took on board the statements he made about the Leeds rail proposal, which includes Kirkstall Forge. Officials at the Department for Transport will continue to work with the sponsors and the local authorities to see how best we can make progress on that proposal. He will appreciate that it is one of those schemes that is in with a chance of funding, and we will certainly do our best to work constructively with the people who I know passionately support the project.

This morning, the Secretary of State also confirmed a programme of electrification on the Great Western line between London, Didcot, Oxford and Newbury. An announcement on the extent of further electrification

on the Great Western line will be made in the new year, alongside our final decision on the inter-city express programme. My right hon. Friend confirmed to the House that we have ruled out wholesale refurbishment of the High Speed 2 inter-city 125 fleet as the solution to the IEP problem. We will buy a new inter-city train fleet. After careful consideration of the Foster report on the IEP, the Government have narrowed down the options to just two: first, Agility's revised proposal for a fleet of electric and bi-mode trains; and secondly, procuring a fleet of electric trains that would be hauled by new diesel locomotives at the end of the electrified network. I want to emphasise that both these options allow us to retain through journeys to destinations beyond the electrified network, including through journeys to Inverness and Aberdeen, which I know will be warmly welcomed by colleagues, including the hon. Member for Cheltenham who mentioned such journeys in his remarks.

I turn now to the points made this afternoon about roads and local transport. We propose to drive efficiency and reform at the Highways Agency by appointing a non-executive chair and a performance-monitoring group. Our goal is to reduce the cost of delivering a national road network that is in a safe and serviceable condition, and to deliver a more efficient traffic officer service that prioritises traffic management.

The Chairman of the Select Committee specifically referred to the A14 and her concern was that we had essentially sent that project back to the drawing board. I think that the cost of the project had simply got out of control. We were not convinced that it was the best way to deal with the problems on that transport corridor. We need to think more imaginatively about those types of programmes, to see if there is a more cost-effective alternative, and I think that the work that we are doing on the rail freight routes between Felixstowe and the west Midlands will also make an important contribution to addressing issues around the A14.

Jim Fitzpatrick: I will give the right hon. Lady another opportunity to have a sip of water. She mentioned that a more efficient Highways Agency will look at trying to achieve better traffic management. Does she accept that the other major role of the Highways Agency is about traffic safety, particularly in relation to foreign heavy goods vehicles? They have been a big concern to the Transport Committee and to colleagues right across the country. The enforcement regime at the Vehicle and Operator Services Agency allows these vehicles to be pulled aside, and the new regulations that we introduced only last year allow these vehicles to be impounded and not moved without either the necessary repairs being effected or insurance documentation and other documentation being produced. I hope that she is not saying that that regime will suffer as a result of moving the emphasis to road management as opposed to road safety.

Mrs Villiers: I will come on to road safety in a moment, but it remains an extremely high priority for the Government. However, the shadow Minister makes a key point about the importance of enforcement in relation to overseas-run HGVs. We will continue to put a priority on those enforcement mechanisms. I cannot give him the precise figures. Across the board, we will be looking to do things in a more efficient way, but if we can, we will prioritise resources to help us to deal with that very significant problem—I agree with him that it is a major problem.

The hon. Member for Liverpool, Riverside also asked whether there was a departure from road-widening and building towards more of a traffic management approach, including a managed motorway approach. I think that there is some truth in that. We want to make greater use of a managed motorway programme as a more cost-effective way to deliver more capacity. Regarding road improvements, our focus is on trying to target the worst traffic bottlenecks, because remedying those bottlenecks will deliver the greatest economic benefit. So we recognise that making better use of our existing road capacity should be a very important part of our strategy.

We also need to look, in a balanced way, at whether we can address a transport problem by using a public transport outcome. We need to look afresh at the way that we approach the national roads programme overall.

The Chairman of the Select Committee also expressed concern about cuts in the budget allocated to road maintenance. We are continuing to allocate very significant funds to road maintenance at both a national and local level. However, we recognise the need to deliver more for less. Safety is, of course, paramount. However, the road network is one of the nation's most valuable economic assets, so we must ensure that we spend appropriately to maintain it in a good condition. Nevertheless, we feel that better commercial management and better contracting can lead to considerable savings, and we feel the same is true of making the most of collective national buying power, encouraging local authorities to link up together so that they can build their buying power, and reviewing some of the technical standards to extend the life of assets. All those methods are ways to cut costs without compromising safety.

However, there is no doubt that we have had to take some difficult decisions about spending on both local and strategic roads. To help local authorities to deal with spending reductions, we will cut red tape to give them more freedom to make their own decisions. We are carrying out a radical simplification and reform of local transport funding. Our plan is to move from 26 grant streams to four, beginning in 2011-12. That will include £560 million for local sustainable transport projects, including Bikeability cycle training.

Several hon. Members discussed buses. The hon. Members for Cheltenham and for Liverpool, Riverside expressed concern about the reduction in the bus service operator grant commencing in 2012-13. I understand their concerns; that was probably one of the most difficult transport decisions in the CSR. I hope that they recognise that the reduction is far less severe than many predicted. We argued the case passionately with the Treasury. We recognise how crucial bus services are to people on a wide range of incomes and in a wide range of areas, which is why we put the case so strongly in the CSR in order to get a fair outcome on buses.

Martin Horwood: I acknowledged in my remarks how well the Department had done in defending the bus service operator grant relative to expectations, but the Minister will recall that the combined impact of the cut in BSOG, the funding arrangements for the concessionary fares scheme and the cuts in local government spending could have a high-risk effect on bus services, particularly rural ones.

Mrs Villiers: I appreciate that the position on buses is affected by decisions made about Department for Communities and Local Government funding. We are happy to work with DCLG to minimise the ultimate impact on bus passengers. We have also committed to retain the concessionary fares statutory entitlement. In implementing administrative savings—a programme that we inherited from the previous Government, who also committed to reducing the cost of administering the scheme—we will, of course, seek to ensure a fair outcome for both local authorities and bus passengers.

The hon. Member for Cheltenham emphasised the importance of Oyster-style ticketing on bus services outside the capital. The Government agree fully, which is why we have committed to extend smarter ticketing technology across the country and accelerated the plans that we inherited from the previous Government.

I assure the Chairman of the Transport Committee that road safety is an extremely high priority for this Government. We welcome the progress made in recent years; it is a major achievement by the Government of which the shadow Minister was a member. We are determined that that progress will continue. Concern was expressed about the in-year savings to local authority funding. The revenue stream associated with road safety has been reduced, but it was selected because that was a way to give local authorities the greatest flexibility in how they make reductions. It was also a way to prevent the in-year savings from falling disproportionately on local authorities; that was one of the most even-handed ways to make the reductions. With the withdrawal of ring-fencing, it is up to local authorities how they implement those savings. We hope that they will continue to focus on road safety and make the savings that they need in other ways: for example, through efficiency savings.

Barbara Keeley: I do not know whether the Minister is aware that in the Chamber this morning, we discussed the fact that some local authorities are facing grant reductions next year of 29%, 30% or 35%. Does she really believe that those authorities—particularly urban metropolitan authorities in the north, some of which are represented here—will have any flexibility?

Mrs Villiers: It is our intention to give them flexibility so that they can make decisions in the local interest. Given the huge importance of road safety to local communities the length and breadth of the country, I am absolutely confident that local authorities will continue to put an extremely high priority on road safety spending.

We will continue to invest in our road and local transport infrastructure. The spending review confirmed that more than £400 million will be devoted to the uptake of ultra low-carbon vehicles in order to comply with our commitments on climate change and the pressing need to reduce emissions from driving. In his CSR statement to the House, the Chancellor confirmed various important road programmes, including the A11 dualling programme at Thetford, which will generate major economic benefits for the whole of East Anglia and provide the missing link of dual carriageway to connect Norwich to the rest of the country. That got the biggest cheer of the comprehensive spending review debate. On 26 October, the Secretary of State announced a further 16 large-scale road and public transport projects, as well as a fund of more than £600 million for other schemes to be selected from a pool through a bidding process.

Several individual schemes have been referred to, including the Leeds trolley bus, on which work will continue, as I said. I hope that it will be possible to make progress on the scheme. The hon. Member for Worsley and Eccles South (Barbara Keeley) spoke with eloquence about her concerns for the M60 and its impact on her constituents. I emphasise that safety issues are, of course, taken into account in decisions on which schemes to fund, and both safety and the environmental impact on communities will be explored fully in the planning process, as is appropriate. That is how we ensure that such issues are addressed. I am concerned to hear about the problems that she believes have arisen with the consultation, and I urge her to take it up with the Highways Agency.

Barbara Keeley: I thank the Minister for giving way. The Roads Minister was going to meet me and local residents in my constituency to understand the issues that I have raised, and I have stated that the Highways Agency consultation was a mess. Given that and the fact that the scheme's start date is now later than originally proposed, although still before 2015, will the Minister take back a request to review the matter further? I do not think that the scheme is value for money, and it is competing with schemes that are much more wanted and more certain to deliver value for money.

Mrs Villiers: With all such schemes, the process of assessing value for money is ongoing. The scheme is conditional on the planning process, which is the proper opportunity for the hon. Lady's constituents to make their voices heard and express their concerns about what will happen. It is not for me to pre-empt the planning process in this debate.

Several hon. Members mentioned the Dartford crossing. The hon. Member for Cheltenham was concerned about the nature of the charges. They were converted by the previous Government to congestion charges; the charges originally imposed related to the construction costs of the bridge. My hon. Friend the Member for Thurrock expressed her concern about the increase in tolls. Again, that is unfortunately another melancholy consequence of the fiscal crisis that we face. Tolls could help us fund a new crossing, which, as the shadow Minister said, would generate significant benefits to the economy and relieve congestion. We continue to work to address the congestion problems and flow of traffic on the Dartford crossing, and that work includes a commitment to lifting the barriers in extreme cases where they are causing congestion.

My hon. Friend the Member for Thurrock also expressed concerns about junction 30 of the M25. As I emphasised, the project has not been cancelled but postponed. There is a good chance that it will go ahead, and the Highways Agency will continue to work on that. She has put on record her concerns about how important it is, not least because of the need to transport Hellmann's mayonnaise and Fairy liquid around the country. She is no doubt a strong campaigner for the interests of her constituent.

Jim Fitzpatrick: I intervene only because one group of constituents who have not been mentioned are long-suffering West Ham fans from south and west Essex, who must fight their way across the M25 to get to Upton Park every other Saturday.

Mrs Villiers: The hon. Gentleman puts that representation well. I am sure it will be duly taken on board as the scheme progresses.

My hon. Friend the Member for Stroud (Neil Carmichael) and the hon. Member for Cheltenham expressed anxiety about the fate of the Swindon-Kemble project. The hon. Member for Cheltenham said that it could end up with the dubious label of being the only rail project cancelled by this Government. In reality, the funding was never in place from the previous Government. It was never confirmed. I believe that the business case is good and that it would be great in terms of increasing the resilience of services to Wales. There are all sorts of good reasons to do the project, but at the moment it just does not look affordable. However, there is every chance that we could seek to take it forward in the next Network Rail spending control period.

Martin Horwood: Will the Minister give way?

Mrs Villiers: I shall carry on; otherwise the Committee Chairman will not have a chance to speak at the end.

The shadow Minister, the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), expressed concern about type 26 frigates. I will certainly take that back to my colleagues in the Department. I have noted his concern about the impact that that might have on piracy. That is obviously a crucial issue we need to address today. He also asked when a road safety strategy will be published. It will be published in due course at some point in the new year. I was somewhat surprised by his comments on air passenger duty because, as I pointed out to him, the increases about which he is concerned were set out in the Labour Chancellor's Budget and implemented through a Finance Bill that was enacted during the term of his Government. He has had something of a road to Damascus conversion on APD.

I have already dealt with the hon. Gentleman's points on TRANSEC and the personnel there. He also made the valid point that ports and shipping often do not get the attention they deserve, given their huge importance to the economy. I certainly agree. Whether or not we are in government, it is vital that we recognise the importance of our history as a maritime nation and the economic benefits generated by ports and the shipping industry.

In conclusion, faced with the scale of the deficit we inherited, the easy option would have been to slash capital spending on transport projects. We have chosen not to do that; we have chosen to look at the long-term interests of the economy. That is why, over the next four years, we will spend more than £30 billion on road, rail and local transport projects across Britain, despite the dire financial situation that we inherited from our predecessors. I thank everyone who has taken part in this very interesting debate.

5.21 pm

Mrs Ellman: Thank you, Mr Gray, for your chairmanship this afternoon. I also thank the many hon. Members who have demonstrated the significance of national decisions for local facilities and for their constituents. I thank the Minister for her very full replies, but such fullness cannot disguise the fact that a 15% cut in transport, an 11% cut in capital expenditure and a 21% cut in resource expenditure, are major cuts. Yes, it could have been worse, but those are major cuts.

I am pleased that my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), the shadow Minister, has retained all his expertise and knowledge about transport and I am glad to see it being put to such good use this afternoon. Some promises and commitments have been given, but there are clearly still some gaps and major problems. I am sure that my Committee, in the months and perhaps years ahead, will monitor those promises and continue to raise issues of concern. I look forward to the Minister appearing before our Committee to follow up some of the very important matters raised this afternoon.

Question put and agreed to.

5.22 pm

Sitting adjourned.

Westminster Hall

Tuesday 30 November 2010

[MR DAVID CRAUSBY *in the Chair*]

Disability Allowance

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Duddridge.)*

9.30 am

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): First, I declare an interest in the debate as the co-chair of the all-party group on learning disability. My main point concerns Government plans to remove the mobility component of the disability living allowance for disabled people who live in a residential establishment. To put that into context, it is important to establish which members of our society qualify for that benefit. The first, and by far the most common group, is where the claimant is unable—or virtually unable—to walk. The second group consists of people who are both blind and deaf. The third category comprises people with a severe mental impairment, and/or severe behavioural problems. In truth, we could not be discussing people who are more vulnerable or deserving in our communities. I understood that that was what the concept of community care was all about.

As far back as 1921, those who required it received help and support with mobility; a decade into the millennium, we are faced with confusion and fear about what the Government advocate. This House, and millions of people with disabilities, are entitled to expect clarity on the issue. Until today, that is exactly what we have not had.

I will give a few examples. On 10 November, my hon. Friend the Member for Easington (Grahame M. Morris) asked the Secretary of State for Work and Pensions,

"what consultation he undertook with (a) charities, (b) third sector organisations and (c) other disability organisations prior to his decision to remove the mobility component of disability living allowance for those who live in residential care homes."—[*Official Report*, 10 November 2010; Vol. 518, c. 343W.]

On 16 November, my hon. Friend the Member for Aberdeen South (Miss Begg) stated:

"The comprehensive spending review contained a proposal to cut the mobility element of the disability living allowance for those in residential care. Why did the Government make that decision—because it was fair or to reduce the fiscal deficit?"

The Chancellor replied:

"We sought to identify the savings that we thought were most justified. As far as I understand it—although I am happy to be corrected—the DLA changes have been supported by the Opposition."—[*Official Report*, 16 November 2010; Vol. 518, c. 740.]

I will attempt to resist the temptation to make political capital, and I apologise if I seem to be doing so. Point scoring is not what disabled people in my constituency want to hear. They want to know the facts and receive clarification on their position and future.

On 22 November, my hon. Friend the Member for Motherwell and Wishaw (Mr Roy) said:

"Of all the proposals on welfare reform, this is absolutely the most brutal and cruel...What will the Minister do when she has to meet a disabled person in one of those homes face to face, and how will she explain why she is taking away their much-needed lifeline to the outside world?"—[*Official Report*, 22 November 2010; Vol. 519, c. 6.]

It is important to remember that that lifeline gives disabled people access to a freedom pass, a blue badge or a disabled person's railcard, as well as to the Motability scheme and other important items.

Peter Bottomley (Worthing West) (Con): I declare an interest because my constituency contains one of the good Leonard Cheshire homes, which I visited on Saturday. I tabled six questions yesterday, which the Minister will probably be able to see tomorrow. They cover the same kind of ground. Is it not right—rather, is it not accurate but wrong—that someone who currently receives the higher element of mobility allowance and who goes on two journeys, perhaps with the home's van at a perfectly reasonable cost of 60p per mile, will have exhausted the lower limit and will not be able to make any further journeys? The Government must find a way to ensure that the mobility allowance is still available to those who need and use it. Through the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke) I invite the Minister to visit one of the Leonard Cheshire homes and speak to those who are affected.

Mr Clarke: The hon. Gentleman makes his point well. My hon. Friend the Member for Motherwell and Wishaw asked how people would react, particularly if faced by the Minister. At the weekend, I took his advice and travelled around as many residential homes in my constituency as the heavy snow permitted. I can reliably inform the Chamber that people in residential homes are terrified about the removal of the mobility component of their DLA, and they have urged me to make the strongest representations on their behalf. I have no doubt that the same is true for other hon. Members from all parties.

Mr Andrew Smith (Oxford East) (Lab): I congratulate my right hon. Friend on securing this enormously important debate. On the point about impact, will this move not hit all the harder because we are talking about some of the most vulnerable people, many of whom are on very low incomes? It will remove a substantial portion of their real disposable income. How can anybody possibly justify that?

Mr Clarke: My right hon. Friend is absolutely right and speaks with the authority of a proactive constituency MP and as a former Secretary of State for Work and Pensions.

Further supporting my allegation of a lack of clarity, an interesting question was raised by my hon. Friend the Member for Aberdeen South on 22 November. I do not go over these questions just for the sake of repetition. She asked:

"Will the Minister take this opportunity to clarify exactly who will lose the mobility element of their DLA?...Will there be exemptions, or will everyone in residential care lose the mobility element of their DLA?"—[*Official Report*, 22 November 2010; Vol. 519, c. 6.]

As we would expect, Front-Bench Opposition spokespeople have tried to clear up Government ambiguity. My hon. Friend the Member for Glasgow East (Margaret Curran) asked whether the Government can guarantee

[Mr Tom Clarke]

"that there will be 'no losers' as a result of this policy?" —[*Official Report*, 22 November 2010; Vol. 519, c. 7.]

There has been far too much obfuscation on the issue. It is too important a matter for vulnerable people to be left in the dark about how they will be affected. I genuinely thought that the days of "out of sight, out of mind" were long since past.

David Simpson (Upper Bann) (DUP): I congratulate the right hon. Gentleman on securing this valuable debate. I also declare an interest because there are a number of residential homes in my constituency. Last week I met with some residents, and there is major concern about the loss of the mobility allowance. Does the right hon. Gentleman agree that if that component is removed, despite what we hear from the coalition Government about giving independence to people who are disabled, such a measure will effectively make people prisoners in their residential homes? The lifeline that they have wanted and have had for a long time will be taken away.

Mr Clarke: The hon. Gentleman is absolutely right. Like other hon. Members, I have received a huge amount of correspondence making the point that he just raised.

In order to seek clarity, I will turn to the question put to the Prime Minister last Wednesday by my hon. Friend the Member for Glasgow North East (Mr Bain). He asked:

"How can he possibly justify this cruel cut of either £18.95 per week or £49.85 per week to some of the most decent people who have paid their taxes all their lives?" —[*Official Report*, 24 November 2010; Vol. 519, c. 264-265.]

To my complete dismay, the Prime Minister chose to trivialise his response. I say that because I had expected him to show greater sensitivity towards people with disabilities. In fact, he served as an office-bearer in the all-party group on learning disability and his input then was regarded as positive and welcome. I hope that the Prime Minister will think again.

In any event, the shadow Secretary of State for Work and Pensions, my right hon. Friend the Member for Paisley and Renfrewshire South (Mr Alexander), put the Opposition's position beyond doubt when he said following Prime Minister's questions:

"The Prime Minister, after a word in his ear from his Chancellor, got it flat wrong today.

He was asked about his own government's plans to cut mobility support for people in care homes but confused it with separate reforms...But when the Chancellor went back in his Spending Review and scrapped mobility support for people in care homes, we are clear that goes too far and is a punitive measure that could leave people in care homes more isolated."

That clarifies the Opposition's position on the matter, but my hon. Friend the Member for Glasgow East may want to add to it; I shall welcome what she has to say later. It is in complete contrast to what the coalition has said. We are calling for clarity.

Richard Fuller (Bedford) (Con): The right hon. Gentleman is making some good points, but on the issue of clarity, will he help those of us who are perhaps not as learned as him on this topic? Is there an underlying issue that different amounts of the mobility allowance go to people who are disabled based on their route into the care home? Will he provide clarity on that?

Mr Clarke: The hon. Gentleman will know that there are benefits at the moment—we all hope that they will continue—for people who live in care homes, as there are for people who live in their own homes. There are two approaches to the matter. I think that that is the answer that he seeks.

On the question of clarification, the coalition has been unclear and ambiguous, which is one of the reasons why I called for the debate. I genuinely hope that by the end of our discussions today, the Minister will have left us in no doubt that people with disabilities will not be left isolated, as so many fear, because they live in a residential home.

What has caused the current uproar—there is certainly uproar in my constituency—among people with disabilities and disability organisations? Many have been in touch with me as their Member of Parliament, and I am sure that other hon. Members have shared the same experience. I think that the uproar is based on two things. The first is the Government's proposal as we understand it so far. The Treasury estimates that 58,000 people who live in care homes will be affected by what is an outrageous decision. What would the cuts mean in reality to individual people?

Patricia King drew my attention to the case of Doug Paulley, a 32-year-old wheelchair user and campaigner for disability rights. Doug was diagnosed 14 years ago with a degenerative neurological disorder and now lives in a residential home in Yorkshire with 17 others aged 20 and above. Already they are allowed to keep a personal allowance of only £22.30 from their benefits, or £20 from any earnings, with the rest going to offset the cost of their local authority care. Those sums cannot provide or cover clothes, phone bills, stationery, personal items and so much more. Their only other income is the mobility element of up to nearly £48 a week, which Doug described as a "quality of life-saver". That is a disabled person speaking for himself and others.

Ian Paisley (North Antrim) (DUP): Does the right hon. Gentleman agree that there appears to be a lack of appreciation of the number of people who would be affected by a cut in this budget if that were to come about? In Northern Ireland, it is 10% of the population—about 182,000 people. In my constituency, the proportion is higher—about 12%, or 16,000 people. There appears to be a lack of recognition that this is not about people who are fraudulent or feckless or who fear work, but about people who are incapacitated and cannot work and therefore must be supported.

Mr Clarke: Again, the hon. Gentleman is absolutely right. He will know far better than I do what is happening in Northern Ireland, but one of the persons whom I quoted earlier comes from the Province and I know that there are very severe difficulties there, too.

So what are we saying as we ask these questions, seek more information and express the views that we know disabled people living in residential care and their carers hold? We are simply saying this. While disabled people who live at home are to keep the mobility component of their benefits, and that is as it should be, it cannot be right, it cannot be fair and it certainly cannot be equitable for 58,000 disabled people in residential care to be hammered with a 69% cut in overall benefits.

Let us hear what care homes themselves are saying. The chief executive of Norwood, a fairly large, third sector provider for people with learning disabilities, wrote this to me:

"I am delighted that you are able to draw this matter to the House's attention as it is certainly an issue that appears to have been so far unclearly presented. We provide residential Care Homes for 250 people whose needs are profound or complex in nature…they therefore require additional support for their daily requirements.

The mobility component of the DLA is given only to those people whose mobility is severely impaired. As such it enables them to access day opportunities, shops, leisure pursuits, holidays (often requiring special transport), all things that more able-bodied people take for granted.

To remove this allowance would be extremely regressive.

Surely the solution is straightforward…the mobility component remains to ensure that the people who need it are not penalised. LAs"—

local authorities—are

"instructed never to include this in their fees and the mobility component remains intact."

Kate Green (Stretford and Urmston) (Lab): My right hon. Friend rightly highlights the need sometimes for special transport for people who are in receipt of this component. Does he agree that they have very considerable difficulty accessing mainstream transport, which may be ill equipped to meet their needs and which may also mean that they encounter hostile public and staff attitudes, and that therefore it is particularly important that they can fund transport that does adequately meet their requirements?

Mr Clarke: Transport is vital to the quality of life of the vast majority of disabled people, but particularly those living in residential care. My hon. Friend makes her point very well.

I come now to the views of organisations of and for disabled people. It must be well known to right hon. and hon. Members that they have been virtually unanimous in their response. For example, Scope says:

"Disabled people are particularly vulnerable to cuts in services and benefits. They are disproportionately reliant on health, social care, housing and transport services, and also, as a result of low employment rates and the additional costs associated with living with an impairment, more likely to live in poverty and/or rely on benefits for a large proportion of their incomes."

Mr William Bain (Glasgow North East) (Lab): Given the extent and the nature of my right hon. Friend's campaigning on behalf of disabled people over almost three decades in this House, when he speaks it is always sensible for Governments to listen. On his point about Scope, I remind him of the information it has given to Members on the kinds of activities that will be put at risk by the loss of the mobility component. They include access to work and volunteering; access to friends and family; community activities, health care services and leisure activities, such as swimming, shopping and even going to the cinema; and the ability to maintain relationships with a partner. How does my right hon. Friend imagine that any Government could justify this savage cut?

Mr Clarke: My hon. Friend, who has added substantially to the quality of debate in the House on these matters, asks the kind of question that people are asking, including, I am sure, people in his constituency. I know that he will always tell it like it is.

I was dealing with organisations of and for disabled people, and so I turn to Mencap:

"Mencap believes the government have misunderstood how disabled people use this important benefit. Without this vital lifeline, many disabled people in care will lose much of their independence, be unable to take part in many community activities and have fewer opportunities to meet with friends and family. Mencap is concerned that by removing this benefit many disabled people who live in residential care…will be unable to lead fulfilling and independent lives."

Sense says:

"The Government's initial justification for this decision, was that the situation of people in residential care homes is the same as those in hospital. This is a totally incorrect assessment: residential care settings are individuals' homes and they should expect to be able to access their families and local communities. Yet Sense's experience as a provider of residential services to deafblind people is that in the vast majority of cases, local authorities will take the DLA mobility component into account when deciding on funding levels."

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Does the right hon. Gentleman share my concern that, when local authority budgets and the voluntary sector organisations that provide transport services for disabled people are under pressure, this is the worst possible time for the mobility component of the DLA to be withdrawn? Doing so will increase the institutionalisation and isolation of disabled people, instead of promoting their integration and inclusion in communities.

Mr Clarke: If I may say so, that is an excellent point. The plain and simple fact is that we all know in our hearts that our local authorities are under tremendous pressure. We know that they are facing cuts and difficult decisions, and unfortunately, in too many cases the result is that provision of social services and disability care does not always get the priority needed and required. There is not a shred of evidence from the local government organisations in England—or no doubt from Northern Ireland, and certainly none from the Convention of Scottish Local Authorities—that local authorities will be in a position to pick up the bill if the Government remove the money from those living in residential care. We are facing a crisis, both for local government and for disabled people.

Finally, there are many relevant organisations to which I could refer, and I apologise to those I have not mentioned this morning due to time constraints. I want to end with Parkinson's UK:

"The Government compares this decision with the removal of the mobility component from hospital inpatients. But the two situations are very different. Hospital stays tend to be relatively short, and patients are often not in a position to make good use of the benefit. By contrast, many people live long and active lives in residential care homes."

Ian Swales (Redcar) (LD): Does the right hon. Gentleman agree that the issue is about not only the elderly, but young people who could be facing their whole lives in residential care? In my constituency, 25-year-old Katherine, who lives in the local Leonard Cheshire home, is devastated that she will be unable to go to the cinema or have outings with her parents and so on. Does the right hon. Gentleman agree that we need to recognise that this is not like hospital short stays at all?

Mr Clarke: The hon. Gentleman makes his point extremely well. All the evidence of which I am aware supports precisely what he has to say.

[Mr Tom Clarke]

I am acutely aware that this week marks the 40th anniversary of the Chronically Sick and Disabled Persons Act 1970—the first legislation of its kind. I am much more comfortable and at ease with the vision outlined by my then colleague, Labour MP Alf Morris, than with the menu of cuts advocated by this coalition Government. Forty years ago, we reached out to people who were marginalised by their disability. As Alf Morris said:

> "I would choose a society in which there is genuine compassion for the very sick and the disabled; where understanding is unostentatious and sincere; where needs come before means; where, if years cannot be added to the lives of the chronically sick, at least life can be added to their years; where the mobility of disabled people is restricted only by the bounds of technical progress and discovery, and where no person has cause to be ill at ease because of their disability." [*Official Report*, 5 December 1969; Vol. 792, c. 1863.]

I agree wholeheartedly with Alf, and I plead with the Government to think again.

9.57 am

Robert Halfon (Harlow) (Con): May I begin by apologising that I will have to leave soon to attend a Select Committee sitting? I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke) on his thoughtful speech and on securing the debate. Although we might not agree on everything, I understand his intentions.

I want to start by acknowledging the need for welfare reform, which is one of the single most important things that the Government are doing. I know that many Opposition Members, such as the right hon. Member for Birkenhead (Mr Field), have wanted to reform welfare during the past 13 years. Like me, they will welcome the fact that the Government are committed to a universal credit.

Many of my constituents will welcome this chance to escape the poverty trap. However, on the specific issue of the mobility element of disability allowance, many constituents have contacted me with genuine family concerns. Only a small number are affected but, as has been noted, they are deeply anxious, and they do not have a political axe to grind. I have already spoken to the Minister about this and written to her about specific cases in my constituency. Ms Jacqueline Hobbs is concerned about the low residual income that will be left for people in care homes. Mr Kevin McGrath is worried that the cut will apply also to younger adults, who prize their independence and need mobility services to have a decent quality of life. Ms Jean Plumridge is anxious that disabled people must not become prisoners in their own homes, but must retain access to the outside world.

It is important to be clear about what the new Government are proposing. They inherited the largest deficit in our peacetime history, and we now spend £120 million a day on debt interest alone. In June, as part of the emergency Budget, the Government announced that they would save £11 billion a year from welfare spending by 2014-15.

Fiona O'Donnell (East Lothian) (Lab): As the hon. Gentleman is so concerned about debt, will he tell us how people in residential homes who have taken out loans to buy electric wheelchairs to use outside will repay that debt? What do the Government have to say to them?

Robert Halfon: If the hon. Lady is patient, she will hear the answer later in my remarks.

To preserve spending on other front-line services, the Government then announced that they would have to go even further in tackling the extremely large welfare bill. One way in which they are doing that is by ending the mobility component of DLA from 2012-13 to claimants who have been in a residential care home for more than 28 days, which will affect about 58,000 claimants. The Treasury says that that will save £60 million in 2012 and that the figure will rise to £135 million by the end of the Parliament. I appreciate, however, that the Government have confirmed that affected residents will retain an underlying entitlement to the benefit, and that payments will start again if they leave the care home. I also understand that the measure will not be introduced until October 2012. Local authorities will have a legal obligation to provide mobility services for residents from their social care funding.

Dr Whiteford: I come back to the point that I made to the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke): local authorities face the same squeeze in their budgets as everybody else. I know from my constituency that there are some great voluntary services supporting wheelchair users and people with severe mobility problems who live in care homes or in their own homes, but who do not have access to transport. However, those charities are terribly strapped financially because of a lack of giving and the problems with trust funds. There is nothing to pick up the slack. Why should disabled people be on the front line? Why should they be punished for financial mistakes that were not of their making?

Robert Halfon: I thank the hon. Lady, but I do not agree that all care homes would be unable to afford to provide mobility equipment if there was a statutory requirement. I have a further response to what she says, but I will come to it later.

Ian Paisley: Does the hon. Gentleman not realise the extent of the problem? There are 42 care homes in my constituency. As the hon. Member for Banff and Buchan (Dr Whiteford) indicated, this issue affects a massive population of elderly and young people. In my case, we are talking about hundreds of people. Every one of those care homes without exception has written to me about this issue—this is massive.

Robert Halfon: I am here today because I accept that this is a serious problem. Opposition Members do not have a monopoly on compassion; I care just as much about disabled people as they do.

Let me explain what I want to happen and what I believe should happen. Local authorities will have a legal obligation to provide mobility services for residents from their social funding. That funding will increasingly be distributed in the form of personal budgets, giving disabled people more choice and control over their services, including access to mobility equipment, taxis or scooters, if that suits them. That will end the anomaly

whereby two state-funded residents with similar needs who are placed in the same care home can be treated differently according to whether they are funded through the NHS or the local authority.

I welcome the fact that the Government are waiting until 2012 to introduce this change, because it is important to give local authorities enough time. They will need safely to translate people on to personal budgets and to get those budgets up and running on a mass scale. Despite the welcome introduction of personal budgets in 2007, progress in rolling them out was simply too slow.

Kate Green: One difficulty that many of my constituents face is that they are in residential care outside the borough because there are insufficient places in the borough, which means that their transport costs are higher. Does the hon. Gentleman share my concern about stretching personal budgets far enough to meet those costs?

Robert Halfon: In some ways, I agree with the hon. Lady. The whole point of my argument is that we need to extend the personal budgets.

As was mentioned, the Audit Commission recently highlighted the fact that although some local authorities were on course to offer 30% of eligible people a personal budget by April 2011, most were not, and only six out of 152 councils are currently on track. What is more, a 2010 survey showed that only 6% of total spending on adult social care was allocated to personal budgets. That is a disappointing record, given the huge potential of personal budgets to give disabled people more independence.

My central concern is that we must help the 58,000 claimants I mentioned to access personal budgets before the mobility element of DLA is withdrawn. On that basis, I have a few questions for the Minister. Will she reassure hon. Members that the Government will seek to migrate those 58,000 claimants to personal budgets before 2012? Will she set out how the statutory requirement for local authorities to provide mobility services will work in practice? Finally, will she reassure my constituents that disabled people will continue to be supported so that they can keep their independence and mobility?

In conclusion, many people in Harlow are concerned for their families. They do not have a political axe to grind, but they are genuinely anxious about the future. As someone with a disability, I know that any change, or any threat of change, can cause immense anxiety, even if the outcome is not as drastic as expected. The problem with the changes that have been proposed is that decent people are worried. I hope that the Minister will be able to reassure hon. Members and my constituents that disabled people and their families will not suffer as a result of these reforms.

Several hon. Members *rose—*

Mr David Crausby (in the Chair): Order. I will come to the winding-up speeches at 10.40 am, so I would appreciate it if Members kept their contributions short, because several wish to speak.

10.6 am

Kate Green (Stretford and Urmston) (Lab): I am grateful for the opportunity to speak in the debate under your chairmanship, Mr Crausby. I congratulate my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke) on securing the debate, because there is clearly considerable interest and concern right across the House.

I know that several Members would like to speak, and my right hon. Friend has eloquently presented many of the points that I would have raised, so I will highlight just three issues. First, I remind right hon. and hon. Members that disability living allowance is intended to meet social and participation needs, not to provide support for medical needs. That underpins the reason why so many of us in the debate are so concerned about its removal from people in residential care. To some degree, such people are already isolated from the community because they are in special and slightly artificial circumstances, and many of them are acutely aware of that special isolation. The mobility component of disability living allowance enables people to leave that residential setting from time to time for leisure or social purposes, to be with their families and, in some cases, for employment and educational purposes, so it is a precious aspect of their social participation rights.

Mr Andrew Smith: My hon. Friend brings enormous expertise to the debate. One point that has not been mentioned so far is that entitlement to DLA is a trigger for accessing the Motability scheme. As she says, contact with the community is enormously important, and some of the people we are talking about have jobs. Will people not risk losing the cars that they get through the Motability scheme? Is that not awful?

Kate Green: I am grateful to my right hon. Friend for raising that. I am also grateful to a number of disability organisations, including RADAR, the Royal National Institute of Blind People and Leonard Cheshire Disability, for highlighting the fact that individuals need to be in receipt of DLA for three years to access the Motability scheme. As my right hon. Friend says, there is a very real risk.

Fundamentally, we are talking about a threat to the independence of people in residential care settings. That threat arises because the costs and inconvenience of leaving those settings are greater for such people than they are for those who do not need the mobility component of DLA. The mobility component helps those in a residential setting to go beyond the basic level of transportation—for instance, when attending medical appointments. It enables full participation.

I hope that a full impact analysis of the proposals will be directed specifically to social and participation needs. I would welcome such an undertaking from the Minister.

Gavin Barwell (Croydon Central) (Con): To what extent does the hon. Lady believe that local authority care contracts should take account of the needs that she mentions? She makes a precise distinction between medical needs and wider social needs, but all Members here today would agree that those needs are equally important. To what extent should local authority care contracts take account of them?

Kate Green: I thank the hon. Gentleman for that point, which builds on one raised by the hon. Member for Banff and Buchan (Dr Whiteford).

Although local authorities might be expected to make full provision within their care packages, many will not—or may not be able to afford do to so because of inadequate funding. We also have anomalies in the system between those in residential care who pay for themselves, those with places in residential care that are funded fully or partly by the local authority, and residential care that is funded by the NHS. As my right hon. Friend the Member for Coatbridge, Chryston and Bellshill said, we need certainty and consistency of treatment, and we need adequacy of funding. Given the stretch on local authority budgets and the cuts they face, it is not clear whether disabled people in residential settings can be fully assured of equality of treatment.

I turn to the question of how disabled people will feel as a result of the proposal. It has the potential to threaten their dignity and cause considerable humiliation and hurt. I repeat something said to me by Mrs Khan, a constituent, who is the mother of a profoundly disabled young adult in residential care. She asks, "How will our son come home to see his family, as we will not have a vehicle to bring him home? What happens to his human rights?" She says, "Because he is disabled, is he not important?" That is the impact of this decision on her. Although I am confident that it is not the Minister's intention to cause such hurt or humiliation, there is a real sense of not being seen as worth while. In the context of the big society, many disabled people feel they are now considered not worthy, not necessarily part of it.

Dan Rogerson (North Cornwall) (LD): The hon. Lady is making an excellent contribution to the debate, particularly on the question of employment, which had not been mentioned before. Does she agree that many of those in residential settings who are in receipt of the benefit have the most complex needs, and transport may be more important to them than it is to others? Although the Government want to challenge spending across the entire area, they may need to revisit this because those most in need will be affected simply because of where they live.

Kate Green: The hon. Gentleman makes a good point. We are talking about some of the most vulnerable and excluded people, and they have particularly high levels of need and face a higher risk of poverty—not least because of the additional costs often incurred by them and their families in order to cope with living with a disability.

There is a clear sense among my right hon. and hon. Friends, and I suspect more widely in the House, that this group is small but highly vulnerable and we ought to be offering them extra protection, rather than stripping it away. I urge the Minister to reconsider this policy, particularly in the light of the helpful comments offered on the cost of benefit: £135 million is not a substantial sum in the context of £18 billion of benefits cuts.

I alluded earlier to disabled people's sense that their dignity and their rights are under attack. Will the Minister tell us what consideration has been given to the UN convention on the rights of persons with disabilities, particularly article 20? Regarding disabled children—in that respect, I had a helpful briefing from the Every Disabled Child Matters campaign—what attention has been given to the UN convention on the rights of the child? That convention specifically requires the UK, as a signatory, to ensure that children can access play, leisure, cultural and artistic facilities. What discussions has the Minister had with her counterparts in the Department for Education to ensure that such provisions can be kept in place?

There is widespread concern that the policy should be reconsidered. Most important, however, the voices of disabled people and their families must be heard. I ask the Minister to explain more fully how that consultation will take place. I hope that the significant and genuine concerns of disabled people and their families will be responded to, and that the policy will be reversed.

10.13 am

Tony Baldry (Banbury) (Con): I start my short contribution by making a confession. This is the first time in nearly 28 years as a Member of the House that I have made a speech in a debate on disability. That was not because of a lack of interest—far from it. However, this entire area of policy has always struck me as something of a secret garden—moreover, one with its own jargon and terminology. My experience is that if we use the wrong phrases or the wrong words, others, including people from NGOs and concerned charities, are likely to shout at us. As a result, I am never quite sure whether I am meant to refer to disabled people or people with a disability.

Listening to oral questions to the Department for Work and Pensions in the House last week, I again felt somewhat lost in this secret garden. I am genuinely interested in the matter, not only as a constituency Member but as the co-chair of the all-party group on carers. I was reassured to hear that even the hon. Member for Aberdeen South (Miss Begg), whom I believe chairs the Select Committee on Work and Pensions, was not sure exactly who would be affected by the Government's proposals. She observed that there was quite a lot on the blogosphere about who might or might not be affected by the changes.

My first request is that Ministers should set out clearly what is being proposed and who is likely to be affected. I am not confident that I am right, but after listening to the answers given by my hon. Friend the Minister at oral questions last week, I understand that it is primarily about people being supported and funded in residential care homes by local authorities. It is a consequence of the move towards personalisation of care—enabling people to have a much greater say over their own care packages, which by common consent is wanted by almost every disabled person. My hon. Friend highlighted the fact that the Department of Health has put £2 billion into social care. Am I right in assuming that a proportion of that money is intended to be used by local authorities, to ensure that residents in care homes continue to have a measure of mobility?

As the hon. Member for Stretford and Urmston (Kate Green) observed, the Treasury spending review of 20 October mentions on page 28 the intention to save £135 million, but I am unclear from whom that money has been taken or from where. Is it intended that the money should be replaced by the funding that the Department of Health has put into social care?

My hon. Friend the Minister said in the House that

"Local authorities, working with care homes, have a clear duty to promote, where practical, independence, participation and community involvement for every single disabled person living in such care homes." —[*Official Report*, 22 November 2010; Vol. 519, c. 6.]

Is that a statutory right? How do disabled people ensure that it is delivered? If it is not being delivered by the local authority, is the matter subject to judicial review? I am unclear as to whether something is actually being taken away, or whether the activities are expected to be funded through a different and separate funding route.

Like my hon. Friend the Member for Worthing West (Peter Bottomley), I have an excellent Leonard Cheshire care home in my constituency. Agnes Court in Banbury is home for a number of seriously disabled residents. Many of them, like those mentioned by the hon. Member for Redcar (Ian Swales), have been there for many years. Indeed, I have known some of them as constituents for practically the whole of my time as a Member of Parliament, as they have lived almost all of their adult lives at Agnes Court. The mobility component of the DLA has enabled the residents of Agnes Court and other constituents to access such things as electric wheelchairs; it has funded visits to local GPs or doctors; and, most important, it has funded visits and activities away from Agnes Court.

These constituents, like us, clearly want to live their lives to the full. Is this money now being taken away from them? If so, how will such activities be funded in the future? My hon. Friend the Minister asserts that local authority contracts with care homes should cover services to meet all residents' assessed needs, including any assessed mobility needs, and that an individual's care, support and mobility needs should be met by residential care providers from social care funding. If that is what she is saying, I hope she will write to the chief executive of every local authority setting out exactly what the Government expect them to do.

Mr Andrew Smith: I thank my fellow Oxfordshire MP for giving way; I know that he cares about these issues. I urge him and his colleagues to reflect on the perversity of these proposals. Even if local authorities, under instruction from the Minister, are able to put together some package of support for transport for people in residential care homes, which seems rather doubtful given all the financial pressures that they face, does it not go completely in the opposite direction from the whole philosophy of personalised care, which is that a person has a package appropriate to their needs and they can choose how to exercise it? They may choose to spend the mobility component of DLA on special transport—electric wheelchairs or access to Motability and so on. Will they not have less independence and choice, even if this money is replaced through the local authority route?

Tony Baldry: The right hon. Gentleman and I are both Members for Oxford constituencies. Having been a Chief Secretary to the Treasury and a Minister in the Department for Work and Pensions, he is a more frequent visitor to this policy secret garden than I am. I am trying to understand whether something is being taken away here. If it is, is it being replaced by something else? If it is, and if the expectation is that local government should be funding it, then that needs to be set out very clearly. The test for all of this is that when each one of us, as a constituency Member of Parliament, meets a constituent who is affected by these changes, we need to be confident that we can explain what is being proposed. I make no criticism of anyone at the moment—the Chairman of the Select Committee cannot even work it out. I am not confident at the moment that I know the answers. If the Government are proposing changes, it does not seem unreasonable to expect those to be set out clearly and unambiguously in terms that everyone can fully understand.

Gavin Barwell *rose—*

Tony Baldry: I will not give way again, because many colleagues wish to take part in what is a comparatively short debate.

As this issue clearly involves at least three Government Departments—the Departments for Work and Pensions, for Communities and Local Government, and of Health—it would be immensely helpful, particularly for those of us who are professedly not experts in disability and welfare policy and legislation, if my hon. Friend the Minister clearly set out what role each of those three Departments plays in ensuring that the correct level of support to disabled people is being delivered locally and appropriately to meet individual needs. Everyone will agree that disabled people have different needs, and as far as humanly possible we need to have care personalised for each one of them. That also means there must be clarity regarding who is responsible for doing what.

10.24 am

Sheila Gilmore (Edinburgh East) (Lab): Yet again, we have an example of how not to do welfare reform—if indeed that is the intent. The Government have attempted to pray in aid the fact that the Opposition had said that they were willing to consider reforming DLA. However, I thought that that meant looking at the benefit in the round, examining how it operates, and assessing what needs to change and what can be done better. I did not think that it was about picking out one brick without looking at the way in which the whole benefit operates. From my perspective—and, I am certain, that of my whole party—that was what we meant when we suggested that we were open to considering changes in DLA.

We are considering something that was clearly proposed as a saving—or a cut. It is about reaching that £18 billion figure, which was why it was announced in the comprehensive spending review rather than as a part of welfare reform. Having decided to do that—ex post facto—all sorts of things are then presented as to why it might be done, why something could be done better and why there may be money somewhere else.

A similar thing happened during the proceedings of the Savings Accounts and Health in Pregnancy Grant Public Bill Committee, of which I was a member. Having decided to make a series of reductions, a number of reasons were suddenly conjured out of the air, and then a whole host of ideas was proposed to find the money to make up for some of the cuts, but those ideas were not costed or fully thought through. The Government were not even able to say whether those proposals would cost more than the savings that were being suggested.

As someone who comes from Scotland, I want to know what consultation has gone on with the Scottish Government. What consultation has been carried out with local authorities in Scotland? I can assure the

[Sheila Gilmore]

Minister that, over the past three years, my local authority has already seen substantial reductions in the money going into social care. I have several constituents whose direct payments, which they were receiving from the local authority, have been cut substantially. In some cases, "substantially" means halved. Such cuts have largely come about because of the financial constraints under which the council has found itself. Yes, the cuts have been dressed up in terms of my constituents' personal needs, but as their needs and capacities have not changed at all, it is clear that this is really about making savings. I am not confident that my local authority has the resource to put this in as a substitute for removing DLA when it is already making so many cuts, and that is before the even further reductions in local authority spending that are coming our way in Scotland and elsewhere.

Moreover, it is important to consult. The Government should not make a decision and then wait for people to react. I heard the Secretary of State for Health talking on Radio 4 this morning about the importance of consultation over public health matters. He was discussing whether to implement the regulation on tobacco and the display of tobacco. He said that it was very important to consult, but if it is so important to consult even on something that has already been passed and subjected to consultation, why is it not important properly to consult the users, care homes, local authorities and the devolved Administrations that are all involved in this change? If it was then felt that there was a need to consider the way in which the benefit is provided and that was better for it to come down the local authority route, so be it, but I do not think that that is why we have got to this position.

Dr Whiteford: The mobility component of the DLA is one of the few parts of the benefit system to which personalisation already applies. Does the hon. Lady not agree that the Government's proposals will take away that aspect of the personalisation agenda at the very time they are talking about promoting it?

Sheila Gilmore: I certainly agree and, as I have said, I have seen some of that personalised agenda being placed at risk in other ways over recent months, which is a substantial concern, especially to the recipients of this component.

I think that we have an opportunity to look again at the proposal and to get it right, if it is genuinely thought to be necessary to fund this scheme differently. However, if it is being seriously suggested that this change can be made—it involves a substantial sum for an individual, but the collective cost of any substitution will be very substantial for a local authority—and if the Government will ensure that it is made, I would ask whether there is a costing of how much will be involved in monitoring the change, in checking that it is made and in managing that whole process, when in fact the system appears to be working well.

10.30 am

Gavin Barwell (Croydon Central) (Con): I intend to be very brief because I know that other Members still wish to speak.

I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke) on securing the debate. I think that all Members of Parliament will have had contact with our constituents on this issue. People are very concerned about what the consequences of this change will be, and he was absolutely right to remind us that the people affected by the change are those constituents to whom we have a special obligation, given their position in society.

On the other side of the coin, I have a great deal of sympathy for my hon. Friend the Minister and for Government Ministers in general, because they are having to take some incredibly difficult decisions at the moment. I have been a Member of the House only since 6 May. During the last six months, I have had to support a number of decisions that, in an ideal world, I would not have wished to support. I think that if the tables were turned, as it were, and Opposition Members found themselves in the position of being in government, they would probably have to take decisions that they would not ideally want to take.

Jeremy Corbyn (Islington North) (Lab): Not this one.

Gavin Barwell: I will come on to that exact point about this decision.

As a Government Back Bencher, I ask myself a question when I look at each of these issues as they emerge: is there a justification for the decision that is being made? I think that the Government have a case. As I understand it, it is that there is a degree of double-counting in respect of this money and that, legally, local authority care contracts should provide the resources to meet people's needs—and not only their medical needs but their social and emotional needs, as the hon. Member for Stretford and Urmston (Kate Green) referred to earlier. The money to meet those needs is also being provided via the mobility component of the DLA. I do not think that a case can be made that residential homes are analogous to hospital care, and the right hon. Member for Coatbridge, Chryston and Bellshill made that point very powerfully in his speech.

However, I have two caveats. The first is that if one takes the view that this support is at least nominally being provided in both ways that I cited, it would be better to strip out the local authority support mechanism. The right hon. Member for Oxford East (Mr Smith) made the point that the mobility component of DLA meets the need for personalisation of funding. However, I guess that it would have been much more difficult to identify the exact level of spending by local authorities on meeting those needs and what savings could be made on local authority contracts if we were to say that the mobility needs of people with disabilities were to be met through DLA.

John Glen (Salisbury) (Con): The issue is that this element of funding is not always duplicated. My constituents have expressed concern that there is great confusion because they are told that there is a duplication, but that is not the case for them. Given that the sums involved are so critical to the quality of life of the individuals affected, it is a great concern when that argument about duplication does not match their reality.

Gavin Barwell: My hon. Friend leads me very nimbly on to the second point that I wish to make. We cannot say that everybody is in the same situation. Opposition Members have made points about the pressure on local authority budgets. Indeed, my own local authority has seen a real-terms cut in funding during the last five years. At that time, to be fair, the Labour Government were providing extra resource to local government in aggregate, but because of the perversities of the grant system, my council experienced something like a 3% real-terms cut over the last five years. There is real pressure on local authority budgets.

I wish to conclude by posing a question to the Minister. If the Government go ahead with this measure, and if we accept that there is at least a degree of double-counting at the moment, what guarantee do my constituents have that if the mobility component of DLA is removed and the local authority care contracts do not meet their needs, they will have some recourse? What can they do to ensure that their legitimate needs—I think that all hon. Members would agree that these people have such needs—are met?

10.34 am

Mark Durkan (Foyle) (SDLP): Like other Members, I will keep my remarks short, given the time pressure.

I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke) on securing this important debate on an issue that affects many people and that worries many more people. The hon. Member for Banbury (Tony Baldry) referred to the observation of the hon. Member for Aberdeen South (Miss Begg), the Chair of the Work and Pensions Committee, that a lot of concerns were being expressed in the blogosphere about this issue. However, I do not think that the hon. Lady was reflecting any confusion on her part; she was reflecting the scale of the fear and concern among many people who will be affected by the change.

People are worried about who is affected by these cuts and where the cuts will extend. The proposal is currently that the cut will affect people who are local authority-funded, or who are deemed to be local authority-funded, in residential care, but not self-funders. However, people will inevitably then say, "How does the logic of that stack up? Will self-funders be targeted too, because how can you justify some people in a residential care setting getting this benefit just because they are self-funded when other people do not get it?"

Jeremy Corbyn: Does my hon. Friend share my concern that this cut—nasty and horrible as it is—affects about 60,000 people, but that the mobility allowance goes much wider than that? Is this the start of something much bigger, whereby the mobility allowance is removed altogether?

Mark Durkan: I think that many people have that concern, precisely because of the confused arguments that are now coming from the Government to justify the cut. Even in this debate, several hon. Members have suggested that this is just switching from one channel of support to another. Some hon. Members seemed to be suggesting that it might not even be a cut at all. We were told that the change was justified on the basis of the need to cut the deficit and because there had to be a cut in the welfare bill, but now we are being told that it might not be a cut at all and that the money might reach people by different means. However, does anyone seriously believe that the money that already reaches people in a highly personal and highly effective way, and that is well justified by the needs of those people, will be replaced or replicated by personalised budgets coming through hard-pressed local authorities? No, it will not.

My hon. Friend the Member for Edinburgh East (Sheila Gilmore) asked what consultation there had been with the devolved authorities. I know that Alex Attwood, the Social Development Minister in Northern Ireland, who runs the Department that covers the social security agency, has made it very clear that he cannot pretend—to himself or anybody else—that if this cut is imposed, it will be made good by the health and social care trusts in Northern Ireland and the sort of packages of personalised budgeting that they would be able to deliver, because those trusts are already under severe pressure after going through years of efficiency saving and because they face yet more again.

There is no point in people trying to delude themselves, or anybody else, by pretending that this is not really a cut at all. Some of the arguments almost amount to a sort of "let them eat cake" answer. Some suggest that there might be something better for people than what is in place already, but people know what they use the allowance for. They use it to ensure that they are able to get accessible taxis, to continue to run their Motability car, or so they can fund powered wheelchairs to get them about in their life and to keep them connected with their family, neighbourhood, and the voluntary groups and support efforts in which they are involved. Many people in residential care homes who receive the allowance use it not just for themselves. Many of them deliver messages, collect library books or do other things for those who are in the care settings with them.

I ask the Government to think again about this cut. In the minds of the people who are making this cut, I am at a loss to understand whether it is justified by context, because of the urgency of tackling the deficit, as we are told; whether it is a convenience cut, simply because the people affected seem to be a handy group of people to get and those who are making the cut have made the mistake of thinking that they are the equivalent of people who are in hospital; or whether it is a conviction cut. Are people somehow genuinely scandalised that people in residential care settings are able to have a modicum of decency, independence and choice for themselves by virtue of this allowance? We are still getting confused and inconsistent answers from the Government, so I hope that the Minister will clarify the situation.

10.38 am

Margaret Curran (Glasgow East) (Lab): I am very pleased to be here to respond to this debate. Of course I want to begin by thanking my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke)—I think that I have got the geography right there, but I am very bad at geography so please forgive me if I make mistakes along the way—for securing this debate. I have been in this particular "garden" for many years, as has my right hon. Friend, and I know very well his work on disability. He is an outstanding figure in that field. As my hon. Friend the Member for

[Margaret Curran]

Glasgow North East (Mr Bain) said, when he speaks he commands respect, and I counsel the Government to listen to him.

Of course this has been a very important debate on a vital issue. It has been said that, at first glance, this change appears to affect only a very small number of people. However, as my hon. Friend from Northern Ireland, if I may say that—

Ian Paisley: North Antrim.

Margaret Curran: Thank you. As my hon. Friend the Member for North Antrim (Ian Paisley) has said, actually this measure has an impact on thousands of lives and it could radically alter thousands of lives. He put it well. However, although £135 million is a huge amount of money, it none the less represents a small percentage of the cuts being proposed by this Government.

As we have heard, there are concerns about the impact of the cut. We have heard dramatic examples of how real-life circumstances have been altered. I have observed in the past few months that the issue has energised many in the disability, voluntary and charitable sector who are deeply concerned. To quote Mencap:

"Without this vital lifeline, many disabled people in care will lose much of their independence, be unable to take part in many community activities they enjoy and have fewer opportunities to meet with friends and family."

Fear of the cuts' implications has become widespread and has now captured a wider audience for this debate.

I should make my party's position clear, although it has been mentioned. Labour supports welfare reform; I quote the Government as saying that they are continuing our work on welfare reform. However, we cannot support these crude cuts. They are ill thought out and, as has been said, they go against the central principle of personalised support for disabled people by actively undermining their empowerment to choose how they live their lives.

Fiona O'Donnell: Does my hon. Friend agree that it is absolutely ridiculous to expect local authorities to fill the gap? Will buses run around care homes? Will people be stuck on buses for hours, waiting to be dropped off? How far in advance will they have to book their transport? The issue is about independence and choice, and the cuts will adversely affect some of the most vulnerable people in our society.

Margaret Curran: I will come to that central argument of the Government's, as we must address it head-on, but I will do so later in my comments if that is okay. I am grateful to have this opportunity to correct on the record the view put forward by the Prime Minister about Labour's position on the issue, because it is important to clarify it.

I repeat that Labour does not support the cut proposed by this Government: the Prime Minister implied that it did. Perhaps I am not as honourable as my right hon. Friend the Member for Coatbridge, Chryston and Bellshill, but I am obliged to say that it is not the first time that the Prime Minister has made a mistake after listening to a whisper from the Chancellor. I think that that explains what happened last week. It is deeply troubling that the Government are about to cut a vital lifeline affecting about 60,000 people living in residential care. They will be £2,500 worse off as a result, and the Prime Minister is not being exactly clear about the details of the proposal, which is of concern.

The issue of double funding lies at the heart of the Government's case; we have been told that that is their argument. The logic seems to be that transport costs are currently funded by local authorities and therefore should not be funded again by Government. However, as many charities have rightly pointed out, local authorities' assessments of care needs cover only what they consider core or essential needs. They do not always cover aspects of an individual's life and social interactions, so social trips such as those to friends and family are unlikely to be included within the current service arrangements.

Furthermore, if that is funded already, why is there so little mention of it in existing community care plans? Surely we should be able to track and identify such funding. If it is funded already, why do so many people use their mobility payments to buy scooters, to take children out of residential homes at weekends and to use adapted taxis to go to the shops? Why do they pool payments to buy or lease an adapted car? Those services are important. The change represents a cut.

We are also told that the £2 billion that the Government are investing in social care could provide the resources to make up that loss. Some hon. Members have argued that the Government should be made to make up the loss. However, the claim of an extra £2 billion for social care has been rejected by the Conservative-led Local Government Association in England, which warns of a 4% increase in the need for social care in coming years and expects that even with the most optimistic efficiency savings, the shortfall will be at least £4 billion by the end of the comprehensive spending review. Even with the so-called extra £2 billion, there will still be a shortfall of £2 billion. As my hon. Friend the Member for East Lothian (Fiona O'Donnell) said, local authorities cannot reasonably be expected to make up that extra gap.

There is no guarantee that the money will be effective in meeting existing demands, let alone in filling future gaps. I know that some people have said that the Minister should direct local authorities to make up the gap, but that runs completely counter to the decision not to ring-fence. If services are not ring-fenced, the Government cannot direct what they should do.

The Government's approach, I argue with great sincerity, does not address the fundamental issues. How will it address the individual difficulties cited in this debate? It will fall on local authorities to find the resources to replace what the mobility component pays for, but the argument is that local authorities already fund the mobility component. Does the Minister think that it is realistic or likely that local authorities, which are set to lose one third of their funding, will step in to provide those essential services? I repeat the question I asked her last week at the Dispatch Box: do the Government believe, and can they guarantee, that there will be no losers as a result of the policy?

This has been an important and good debate. I call on the Government to listen to the strength of feeling involved and the range of issues selected. I note a degree of sympathy on the coalition Benches with the

argument made by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill. This is an opportunity for the Government to think again.

In my kinder moments, I honestly think the Government have made a mistake and that the plan was dreamt up by some young spark in the Treasury who had a quick look at the tables and thought, "There's a quick saving. It looks as if it's already double-funded." However, they were not in the secret garden and did not think through the consequences. At worst, it is a callous cut for which the Government will be held to account for many years if they proceed without thinking it through. I leave it to the Minister to tell us which is true.

As it stands, it is a crude, cruel cut that undermines moves towards personalisation, the Minister's own efforts at welfare reform, quality of life and opportunity. For such a small saving, it will have an enormous impact on the quality of life of the people in greatest need. It cannot be accepted. This is the anniversary of the passage of legislation empowering disabled people, and Friday is the international day of disabled people throughout the world. I call on the Government to take this opportunity to show solidarity with disabled people and announce that they will not proceed with the cuts.

10.47 am

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): It is a pleasure to serve under your chairmanship, Mr Crausby. I thank all hon. Members for coming to this debate and for taking the time to voice their concerns and their constituents' thoughts about the measure. In particular, I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke) on securing this debate. At the beginning of his remarks, he called for clarity, which is exactly what the measure is designed to address and deliver. I hope that he will be able to see that in my comments.

We as a Government owe a duty to disabled people to promote their independence and equality, but we also owe a duty to the country to ensure that we have the right governance in place to deliver support efficiently and sensibly. The problem is that we inherited a system that some might say is not fit for purpose. The hon. Member for Edinburgh East (Sheila Gilmore) called for a full reassessment, not piecemeal reform, of disability living allowance. I reassure her that that is exactly what we are doing, and I hope that we will have her support when we introduce our full measures in the coming months.

Sheila Gilmore: I want to make it clear that our support depends, obviously, on the contents of those measures. This policy appears to be a piecemeal measure.

Maria Miller: I thank the hon. Lady for her intervention. I can say to her that we will shortly be consulting in full on this and other measures on disability living allowance. Hon. Members, their constituents and interested parties will have a full opportunity to give their thoughts and see the measures that we are introducing.

Across the spectrum of disability living allowance, we see overlaps, duplication and gaps in provision created by a series of opaque, confusing and inefficient systems. The debate has highlighted just how out of kilter the current system is, with different payment streams and delivery mechanisms spanning different lines of departmental responsibility. We have to address the underlying issues, which is why we are proposing major disability living allowance reform. That is the only way we can ensure that the clarity we need is put in place.

Karen Bradley (Staffordshire Moorlands) (Con): I am still a little unsure about when the reform will take effect—2012 has been mentioned. Would the Minister clarify exactly when the measure will be introduced and perhaps give some further information on other measures that will affect disability living allowance?

Maria Miller: As the Chancellor has set out, the measure is due to come into place in October 2012, and others will come into place in a similar time frame. It is important to focus on time because, as hon. Members have said, that will give us the opportunity to work across the Departments affected by the measure to ensure that good provisions are put in place and delivered effectively.

We remain fully in support of the principles of DLA as a non-means-tested cash benefit contributing to the extra costs incurred by disabled people. However, we must ensure that the benefit reflects the real needs of disabled people today and their aspirations for greater control in the future and that the system is sustainable in the long term. As the hon. Member for Glasgow East (Margaret Curran) will know from her colleagues who were in government, more than 3 million people currently receive DLA and the expenditure this year is forecast to be £12 billion, which is substantially more than was intended when the allowance was introduced.

Jenny Willott (Cardiff Central) (LD): The Government are trying to make savings in that budget, but has the Department considered maintaining support for at least the most vulnerable, for example by keeping the higher rate mobility allowance for those living in care homes, as they have the highest costs and the greatest need for mobility support?

Maria Miller: We are absolutely committed to ensuring that the independence of disabled people living in care homes is maintained, and that is our prime responsibility. I will give more details on how we intend to do that later, but I am conscious of the fact that other Members have raised points and that I should make progress in answering them.

At a time when we are spending £120 million a day in interest payment on the debt we inherited from the previous Government, the unbridled expansion of DLA is unsustainable. We need to be certain that public money is focused where it can have the most impact in an affordable manner, helping people to lead independent lives. That is why we propose an objective assessment, which we are developing with the help of medical experts and disabled people.

Margaret Curran: I appreciate that time is short and so thank the Minister for giving way. Would she address the issue at hand? The debate is not about the general reform of DLA, but about the specific cut. We should focus on that, as there are many answers that people are looking for.

Maria Miller: The hon. Lady must understand, as her hon. Friend the Member for Edinburgh East has said, that the measure has to be seen in the context of the wider reform of DLA, so I will outline a little more on that. The reform of DLA will allow us to ensure that we accurately and consistently assess people's support needs and reassess those receiving the allowance as their needs change over time, which is also currently lacking. We believe that that is crucial. As a result of the reforms, we believe that we can focus resources where they are most needed.

I will now address the specific measure on the mobility element of DLA. We believe that the mobility element plays an important part in helping disabled people lead more independent and autonomous lives, an ambition with which I am sure all Members agree. However, that element also includes duplication and overlap, which is why we have set out to tackle the disparity as part of the spending review. At present, some people in residential care receive DLA cash directly for their mobility needs, and at the same time they receive varying levels of mobility support at local level from care services, funded by their local authority. That issue was raised by the hon. Member for Stretford and Urmston (Kate Green) in her contribution. In some cases care homes provide excellent mobility support, but in others there is only basic provision, which means that some people receive cash support for services and others do not.

Mark Durkan: The Minister referred to the confusion and overlap that the measure is intended to remedy, but what representations have been received about that? Who has made the case that there are chronic difficulties and that all sorts of confusion are seizing people with worry and bewilderment?

Maria Miller: I am sure that the hon. Gentleman knows that it is the role of the Government to ensure that systems are clear and straightforward, and he will also know from his constituents who are disabled that the push towards personalisation is something that disabled people feel strongly about. Unless we have clear budgets and budget lines, it is difficult for that to happen. I hope that he will understand that it is incumbent on the Government to be able to deal with that.

Several hon. Members *rose*—

Maria Miller: Hon. Members must forgive me, but I want to address more of the issues that have been raised directly, and there have been many contributions throughout the debate.

The arrangements are further confused by different funding streams, as Members have pointed out. For example, NHS-funded individuals in residential care do not receive the DLA mobility component, while those funded by local authorities do. If we want to be fair—not only to disabled people, but to taxpayers—we have to tackle the gaps and overlaps and ensure that everyone gets access to the mobility they need, without the taxpayer having to pay again for needs that have already been met. In the current fiscal climate, that is exactly what Members would expect the Government to do.

Fiona O'Donnell: Will the Minister give way?

Maria Miller: The hon. Lady must forgive me, but I have taken a number of interventions already.

We simply cannot continue to accept that lack of clarity. We currently have mismatched systems for assessing the needs of disabled people: one for DLA, which assesses mobility and need in terms of cash; and another that provides, via local authorities, a more generic needs assessment reflected in services contracted with care homes. Those mismatched systems produce huge potential for duplication, uneven expectations and varying provision. We have to change that and target the right funding on the right people.

I will answer some of the direct issues that Members have raised. There has been a broad question on what consultation there has been with the Scottish Government and Scottish local authorities. I would like to reassure Members that the forthcoming DLA reform consultation document and the legislative process will allow disabled people and other affected groups ample opportunity to provide their views on the measure. My hon. Friend the Member for Worthing West (Peter Bottomley), who has had to leave the debate to attend a meeting, made several important points. I would be happy to meet representatives from Leonard Cheshire homes to discuss the matter further.

My hon. Friend the Member for Harlow (Robert Halfon) made an important contribution to the debate and asked a number of specific questions. He, too, has had to leave, to attend a Select Committee meeting. I can clarify that the measure was designed to remove overlaps in the payment of mobility support, as I have outlined. It is not intended to lead to a loss of independence and we remain committed to promoting greater personalisation for disabled people. I reiterate that milestones have been agreed with the Association of Directors of Adult Social Services, including the growth in personal budgets, and that we are absolutely committed to the implementation of personalisation across the board.

The hon. Member for Glasgow North East (Mr Bain) talked about the ability of people living in residential care homes to get into work. I would like to be clear that the ability of individuals in care homes to take advantage of access to work, which can cover their travel costs, makes an enormous difference to them. The hon. Member for Stretford and Urmston talked about DLA being paid for social and medical needs. To be absolutely clear on that point, we will shortly be consulting on the wider reform of DLA and are absolutely committed to a social model for it, not a medical model. She mentioned article 20 of the UN convention on the rights of persons with disabilities, which sets out the right to personal mobility and promotes the greatest possible independence. The Government's measure is designed not to reduce the mobility of disabled people, but to address the current complexities in the system.

Shoreline Management Plans

11.1 am

Dr Thérèse Coffey (Suffolk Coastal) (Con): I thank Mr Speaker for granting this debate on an important issue. I wish that more of my colleagues were here today. I am new to Suffolk Coastal, which is the only constituency with the word "coast" in its name—and as may be imagined, the debate subject is one of the biggest issues there—but I am not new to coastal erosion. I grew up as a little girl in a place called Formby, which is also well known for its shifting sands. I recognise that I am very new to Suffolk, and I commend the work done thus far to protect the coast. I pay tribute in particular to my predecessor, the recently ennobled Lord Deben.

I want to raise awareness of the issue of shoreline management plans and invite Members of Parliament to consider joining the all-party coastal and marine group, which decided to include the plans among our particular issues. I am slightly thrown, because I expected the Under-Secretary of State, my hon. Friend the Member for Newbury (Richard Benyon) to be here, and was therefore about to pay tribute to him. However, I am sure that the Minister of State will pass on to him the gratitude that is still felt in my community for the fact that within only a few months of joining the Government, he came to Norfolk and Suffolk constituencies. That was very well received.

I also want to say well done to the many councillors and Government agencies that have worked hard to produce the shoreline management plans. Although I do not agree with every word that is in the plans, on the whole those responsible have done a great job—constrained by the policy visited on us by the previous Government. The shoreline management plans were driven by the policy in "Making Space for Water". I recognise that what led to that was severe flooding across the country. However, in my view, much of what went into "Making Space for Water" and subsequent reviews, such as the Pitt review, had nothing to do with coastline management; it was trying to deal with flooding. That is typical of much of the approach that has been taken to flooding and erosion.

Flooding is temporary. It is very disruptive to people; I recognise that. There have been some severe incidents; but it is not terminal, whereas erosion is. Once shoreline is gone, it is generally gone for good. There might be a little movement of sediment up and down the coast; but, as to houses, there is a village in my constituency, Covehithe, that is not expected to exist in 40 years' time. That is quite an impact for the people who live there.

I shall not compare our situation with that of Holland. I do not pretend to be Canute or to think that we can change nature. However, perhaps I may make use of an analogy with our neighbours across the North sea, who have made their country bigger by reclaiming land from the sea. Their shoreline is roughly the length of that of Essex. Yet they manage to spend €1.5 billion a year on their shoreline defences, and to supply on average about 9 million cubic metres of beach recharge, as opposed to the 2 million enjoyed across the UK. As an aside—although there is no conclusive evidence on this—I understand that Holland does not allow aggregate dredging within 10 miles of its shoreline, and, indeed, that it buys aggregate from the United Kingdom.

To return to "Making Space for Water", I am not going to get into the debate about rising sea levels and similar issues; that is not the purpose of this debate. However, what is relevant is the fact that the plans are now effectively based on 25, 50 and 100-year decisions. We are making 100-year decisions on the basis, to some extent, of a three-year budget. I am not surprised that the consequence is a disproportionate impact on communities that are not densely populated. I should prefer a rethink on "Making Space for Water". I do not suggest it should be complete and fundamental or that we should turn back the clock in every respect. However, I suggest that instead of making 100-year decisions we should continue with what was the tradition in this country until fairly recently, and make decisions for 25, 30 or 40 years, so that one generation can pass on the challenge to the next, but also do its bit for that generation; and so that one generation will not take decisions that leaves nothing for future generations. That is what is happening in places. I am thinking of places such as Happisburgh, in North Norfolk, as well as parts of my constituency, where people know that their village will not exist in 40 years and there is nothing they can do about it.

Among various things that have happened, more and more powers have been given to the Environment Agency. I understand that the strategic aspect of that was to try to put responsibility in one area and take an integrated approach. With the Flood and Water Management Act 2010 there has been strengthening of the regional flood defence committees. I am concerned that those committees cover a large area. That almost goes against the mantra of the big society and the idea of enabling local communities to take decisions, which of course should mean working with neighbours but should not mean being told, from the regional perspective, "This is what you can and cannot do; this is what we can and will not fund."

I want to spend a little time focusing on my area of Suffolk. Shoreline management plan 1 was published in 1998 and it continued the "hold the line" philosophy that we should do what we can to preserve the coast. Shoreline management plan 2, which has still not, to the best of my understanding, been signed off by the Secretary of State, contains a significant change, in that properties will be lost. The Under-Secretary came to my constituency and met people who will be affected. I wanted him to meet such people—Mrs Flick, Mr Chandler and Mr Monson—and see the tears in their eyes because of the effect of the policies.

In my maiden speech I mentioned Thorpeness, where something happened that is supposed to be a one in 50 or one in 100-year event—I cannot remember which; within 50 days of the passing of the plan at local council level, a significant loss of beach was suffered. It does not give residents much confidence when there has been a downgrade to no active intervention, and something that seemed far off happens. I pay tribute to the council and the Environment Agency for pulling together and doing some remedial work. It required the financial intervention of constituents, who have put in money. Not all my constituents are particularly cash rich, but they have done that to try to protect their homes for another 30 years. That relates to the policy I mentioned earlier.

Another aspect of the shoreline management plan that is relevant to my constituency is the suggested breach just south of Aldeburgh, moving into the estuary.

[Dr Thérèse Coffey]

When the shoreline management plan was initially being made, there was a separation between it and the estuary management plan. I am pleased that there was recognition from the council and the Environment Agency that that was wrong, and such matters cannot be considered in isolation. Under the Alde and Ore futures initiative, work is now being done to examine the impact of breaches of the shoreline among wider areas of the estuary. There were reports yesterday on the BBC that if there were a "one in 100" big North sea storm, Cambridge would be a coastal town. That is the impact suggested by some of the modelling, which I do not decry; but the impacts of smaller storms could wipe out many properties in my constituency, and much agricultural land and habitat.

Two councillors have brought to my attention their concern about the consultation process. I am not clear on this, so I do not speak with complete authority, but my impression from meeting residents is that those who are not on the electoral roll, discouraged because they were second home owners, may not have participated fully in the shoreline management plan. Indeed, some residents have said that they had never heard of it until the impact was known. That is a cause for concern: people whose houses would be lost as a result of the shoreline management plan did not know about it. That needs to be reflected upon, and I hope the Minister and the Secretary of State will consider that when they sign off the plans.

The impact on people and on agriculture is real. One concern about the funding formulas, when we start looking at the cost of coastal defences along different parts of the shoreline, is that issues such as heritage assets and agriculture have not been taken account of in a valid way. I understand that Suffolk produces a great many potatoes for our country, and I am sure they are delicious and are enjoyed by many hon. Members. One of the features of our agriculture, however, is that we have two or three seasons of potatoes, and some of that could easily be lost if there was a breach of the shoreline and subsequently the estuary.

The previous Government looked at ways of mitigating and carrying out managed retreat, using schemes such as the pathfinder grants. Constituents feel that although that was jolly nice, it was a waste of time. More hope is coming from the community right-to-build proposals brought in by the Minister for Housing and Local Government, my right hon. Friend the Member for Welwyn Hatfield (Grant Shapps). Instead of people being told that they have to move to a town, they are now working with councils to get planning permission to go into other areas. Frankly, if they live on the edge of the coast they do not want to live in a town; they are living in an isolated rural hamlet. Some moves have been made on that, but I am not sure that pathfinder money has been spent in the best way. I have been told on several occasions, "We would rather have used this £1.5 million grant actually to put some defences in, rather than being told we will lose our homes."

In terms of compensation, more and more awareness exists about the human rights impact of the decisions that are made about the change in policy no longer to hold the line. Those who will be impacted by High Speed 2 will receive compensation for the fact that their houses will be moved as a result of a change in or an introduction of Government policy. That does not happen in coastal erosion, where we have decided not to hold the line. I believe, although I am not certain, that those who suffer from fluvial flooding also receive compensation. In Happisburgh there were schemes looking at giving people 40 to 50% of the value of their homes. Frankly, trying to rebuild a home sometimes costs more than that, and trying to buy elsewhere can easily cost more than that. That needs to be looked at. I recognise that traditionally, compensation has not been a feature of coastal erosion policy, but we have not been putting in black and white as effective policy, "You are going to lose your home, and we are not going to compensate you for anything." I understand that compensation is available for landowners where land has been deliberately allowed to flood, but that is limited to agricultural situations.

Returning to the idea of not trying to be Canute, this country does not have billions of pounds to put a ring of steel or a ring of stone around our shorelines, and that would not necessarily be best for our coast. The Minister has heard from some of my constituents the can-do attitudes they can bring to decisions on how to fund future defences—in particular, the initiative with Suffolk Coastal district council and landowners around the Bawdsey area. Gerry Matthews engineered a scheme whereby exceptional planning permission was given to build some houses on greenfield land. The money from that paid for defences around the Bawdsey area. That has been welcomed, and it was pioneering at the time. Although some of my constituents are concerned that that will mean we will pay for our coastal defences for ever, at least we have been given the choice to do so. In this day and age, it is about making choices for ourselves and not simply expecting the Government to write a blank cheque, especially in these difficult times. Other schemes could be possible up and down our coast.

One aspect that we must get right is that the partners of Natural England and the Environment Agency should not have the sole judgment over whether defences can be done. At the moment the EA and Natural England have some quite restrictive powers, and they can say "No, you cannot put those hard defences in." It is hard to argue with a constituent who says they are happy to pay for defences or to arrange some match funding, and who is subsequently told that they cannot do so. That has led to some extreme reactions in parts of my constituency: frankly, dumping a whole load of rubble on the beach is not ideal either, and I would not recommend that as a course of action. There are, however, situations where landowners desperately need to be able to maintain their defences. They should be able to enhance their defences if they need to. I recognise the importance of the various directives we have signed up to on habitat, but people are still more important than fossils or certain kinds of birds. If there ever was a case for the Human Rights Act, that is one: humans have a right to live and to defend their homes.

Moves are afoot in the Ministry, and I want to recognise those. The consultation is out now for the national flood and coastal erosion risk management strategy. We have heard about future funding, the draft guidance is out for consultation and people are working together—the National Farmers Union and the Country Land and Business Association, with DEFRA, Natural

England and the Environment Agency—to look at protocols on the subject. I call on the Government to consider that, as I have said, coastal erosion is terminal and we are not reclaiming anything: flooding is temporary. Please bear that in mind when we are looking at the different schemes and at allowing people to make the big society a reality, not just hot air. We must encourage the Environment Agency and Natural England to work with the people on our coastal shorelines to recognise that they can do things. It is not about damaging the future; a lot of the land around the coastal shorelines and slightly inland has been held in families for generations. They do not want to destroy such places; they want to enhance them and to keep them, not only for their descendants but for the enjoyment of many people across the country.

Councillor Sue Allen from Southwold has written to me making the point that we had set aside £1.6 billion for the habitat creation programme, and in writing off Benacre Broad, Covehithe, Tinkers Marsh, Delacroix Marsh, Hen Reedbeds, Reydon Marsh, Dunwich Marsh and Minsmere aspects, 950 hectares of land has to be recreated. The habitat has to be recreated elsewhere, and the estimated cost is £50 million. That sum could produce a significant number of defences in that area. I do not see that as a Ponzi scheme, but I want to encourage Ministers who say, "We are not going to spend money on it from this pot, but we will spend money from that pot" to think about that. That does not make sense to me, and we need to have a rethink.

This is one of the most important issues in my constituency. It does not affect everybody there, but there is a recognition that our coast is important to us. We do not want to see too many more towns such as Dunwich, which can appear more interesting under the sea than they are on shore. I encourage DEFRA to look, as I believe it is doing, at innovative and different ways of protecting the coast—methods such as artificial barriers and artificial reefs, looking at constituents' ideas for defending their own shorelines, or thinking again about some aspects of the consultation—so that people in areas that have moved to no active intervention, and who, in their view, were not made aware of that, are allowed a second chance to express views to their local councils.

I give credit to the Government agencies, councillors and others who have worked very hard on shoreline management plans within the constraints of "Making Space for Water". I hope, though, that the Government reconsider the issue fundamentally and recognise that 100-year decisions being made today have impacts on people in the shorter term, not just 100 years hence.

11.21 am

Anne Marie Morris (Newton Abbot) (Con): I thank my hon. Friend the Member for Suffolk Coastal (Dr Coffey) for raising a very important issue. Coastal erosion is a key issue in my part of the country. My constituents in Devon have one of the most beautiful but also one of the longest and most prone to erosion bits of coastline in the country. In addition, we have a particular problem, because the south-west is tipping along an axis, so it will sink, while the north-east, happily for it, rises. Consequently, coastal erosion is an acute problem for us. By 2050, our sea level is predicted to rise by 22.9 cm, which is a significant amount.

Shoreline management plans are a vital tool in managing the problem. I am delighted that following their inauguration in the mid-1990s, they continue to be in existence, and shoreline management plan 2 is in prospect. My request to my hon. Friend the Minister is that we try to build some certainty and begin to secure some agreement because, as my hon. Friend the Member for Suffolk Coastal said, those plans have not yet been agreed. There was much debate about them before the election, then they were shelved, but now we have a new Administration.

We need certainty, because the plans have significant implications for our national plan for flood defences and for the renegotiation with the insurance industry—with the Association of British Insurers—about how we deal with covering the risk to those properties that are prone to flooding. We also need certainty locally so that local authorities can plan sensibly on where to build and where not to build. I am conscious that the arrangement that the previous Government made with the ABI, which in effect said that insurance would continue to be available provided that the Government continued to invest in flood defences, does not apply, as I understand it, to houses built after 2009, so this is quite an important issue to get right.

For my local area, tourism is the biggest generator of income, and it would be profoundly affected if we did not properly manage erosion along that beautiful coastline. Our shoreline management plan is part of the Dorset and south Devon plan. Within those many miles of beautiful coastal mileage, there are three particular areas of concern, which I shall highlight for the Minister so that he can understand why I am concerned about the need to reach agreement. At the moment, agreement is looking a little tenuous, and we need it.

Let me start with the easiest of the three areas. The Dawlish sea wall is crucial, because a railway line runs along that coast, and without the integrity of the sea wall, the railway line could not continue to run trains. The railway line carries 2 million passengers a year, and I can honestly say to the Minister that it is crucial to tourists travelling to and from the area, as well as to local constituents travelling to and from work. I am pleased to say that the Under-Secretary of State for Transport, the hon. Member for Lewes (Norman Baker), confirmed in a previous Adjournment debate that that railway line was crucial and that therefore he would write—he has indeed written—to the Environment Agency and to Network Rail to indicate that retaining the defences to ensure that coastal erosion was kept to a minimum was what the Government wanted. That is great. I am pleased that we have a hold-the-line policy for the next 100 years there.

Let me move on to the other two areas, which are a little more controversial. Dawlish Warren is a beautiful sand spit and home to a thriving tourism industry. We have 800,000 visitors a year, and on a good day we might get 20,000 visitors in a single day. It is also a nature reserve, a conservation area and a place of great scientific interest. That is more problematic, and the area suffered significantly in 2004 when the level of the beach fell dramatically; about 10 metres of the beach was taken away. We have a hold-the-line policy until 2025, but after that the policy is mixed between hold the line and a managed realignment.

[Anne Marie Morris]

Because of the nature of the tourism industry, this issue is crucial for my constituents. The Environment Agency has been helpful, and to date it has maintained the groynes and supported the gabion defences. In the relatively recent past, it spent £100,000, which was good news. There is, however, a debate between Natural England and the Environment Agency about whether the defences to be put in place should be soft or hard defences. Clearly, there are arguments on both sides, but we need clarity so that we can move forward. I urge the Minister to remember that this is a key area for tourism, and without that tourism it will be hard for local businesses and people in Dawlish Warren to survive.

Another area of concern is the Exe estuary. A study of the area found—rightly—that we should be looking to implement a new wetland area. Because of the erosion, the wetland has been lost, which will have implications for our natural wildlife. However, the consequences of such an action will require a causeway to be created in the area so that the train can continue to pass along the coast. The challenge is who will pay for that work—should it be Network Rail or the Environment Agency? I ask the Minister for his input in trying to ensure that we reach a sensible agreement.

In essence, it is crucial that shoreline management plans are agreed. Without them, we will never ensure that a proper flood defence plan is put in place across the country, and we will never help local authorities plan properly for housing—a particular issue with coastal erosion. Furthermore, we will never have a sensible and meaningful debate with the ABI, and others, about how to cover insurance for properties after 2013 when the current arrangements fall away. Locally, I am passionate about securing the future of the railway and of tourism.

That, in a nutshell, is my contribution, but as a final comment, I welcome the suggestion made by my hon. Friend the Member for Suffolk Coastal that we review the issue of compensation. It seems appropriate for compensation to be considered in cases of coastal erosion, as well as with other forms of flooding and disaster. I also commend my hon. Friend on her proposal for local people to be more involved in discussions about such matters, rather than leaving it to large Government agencies.

11.29 am

Mr John Whittingdale (Maldon) (Con): May I congratulate my hon. Friend the Member for Suffolk Coastal (Dr Coffey) on securing the debate? She is a formidable ally on the Culture, Media and Sport Committee, and she is also a strong champion for her constituency. A lot of the issues that she has raised directly affect my constituents, but that is unsurprising since we share the same shoreline management plan.

I represent a rural area of Essex with a long coastline. It will come as a surprise to many people to hear that my area of Essex has one of the longest coastlines in the country. However, that will not come as a surprise to the Minister, who is an extremely distinguished former chairman of the Essex National Farmers Union, so I am pleased that he is responding to the debate. Many of my concerns relate to the protection of agricultural land, and he will understand why coastline management is such an important issue, particularly in my part of the world.

We in Essex are conscious of the fact that shoreline management is extremely important. Many people still remember 1953, when more than 100 people died in Essex as a result of the last major tidal surge and the collapse of sea defences. A map on the Environment Agency website, which is available to anyone who wishes to consult it, shows the extent of the floodplain in my area. It shows that 2,000 houses in Heybridge, in my constituency, would be under water following a one-in-200-year event. It also shows a large amount of agricultural land on the Dengie peninsula, which I represent, being lost to the sea, which is a real concern.

The Environment Agency rightly concentrates on protecting residential dwellings and human life, and that must be the priority. However, there is concern that agricultural land may not get the attention that it deserves. We realise, of course, that the country is under pressure. We have steadily rising sea levels on the east coast, a tilting land mass and the erosion of salt marshes, which constantly increases the pressure on our defences. We are also very much aware of economic considerations.

I do not therefore in any way dispute the necessity of drawing up a shoreline management plan to determine where we should concentrate resources and to work out a sensible strategy for each part of the coastline. Indeed, I was at the meeting at which the plan was first unveiled, and it came as a relief to some extent that it was less drastic—certainly in the first epoch—than we had feared. Nevertheless, in areas where there are proposals to realign the coastline and to give up agricultural land, farmers find it difficult to come to terms with what is happening, particularly at a time when we are increasingly worried about our food security and the need to maintain and increase agricultural production.

What has caused greater concern, however—my hon. Friend rightly touched on this—is the feeling that the plans were drawn up without any proper consultation of affected landowners. There have been public meetings and opportunities for people to come along and look at the proposals, but there has been a lack of moves directly to involve the people who will be affected to give them an opportunity to make representations, to question some of the criteria that have been used or to appeal.

Indeed, there is still a debate about how the plans have been drawn up. There is no agreement, for instance, on matters such as the economic value of the land that would potentially be abandoned or the cost of repairing sea walls. The whole cost-benefit analysis is slightly shrouded in mystery. There have been questions, for instance, over whether sufficient regard has been given to mobile homes and caravan parks, which are obviously not permanent residential dwellings. Those are all issues on which more needs to be done.

I and other Members in Essex have been contacted by the Managing Coastal Change group in Essex and by Andrew St Joseph, who is a former constituent, although he is none the less still a good adviser on these issues, and I suspect that his name will be familiar to the Minister as well. They have raised concerns both about the fact that landowners have not really had a chance to discuss these issues and about the Environment Agency's assurances in the plan. For instance, the Environment Agency said that it had spoken to everyone who owns land in the areas where managed realignment is proposed, but Mr St Joseph points out that a number of landowners

had told him that they had had no meaningful contact with the Environment Agency at all about that. When I went to the unveiling of the shoreline management plan, which was attended by landowners from my constituency and the rest of Essex, one of the farmers came up to me and said that on the wall he had seen for the first time that a large part of his farm had been designated for future realignment and loss to the sea. Clearly, that is a matter of concern. There needs to be greater dialogue between landowners and the Environment Agency.

There is an even greater concern about the lack of dialogue with Natural England, which my hon. Friend the Member for Suffolk Coastal also touched on. There is concern that it has a very powerful influence over the decisions being taken. My hon. Friend referred to some of the frustrations about the extent of protection for wildlife as opposed to human beings. There certainly appears to be greater protection for the habitat of a water vole than there does for that of a human being, which is difficult for people to understand. I am not one to say that the habitat of water voles is not important—it plainly is—but these things need to be kept in perspective. There is a general feeling that the habitats directive is driving this policy too much and that some decisions are being taken in large part to meet the requirements of the directive rather than as a result of proper consideration of the costs and benefits of maintaining sea defences.

Although I get some reassurance about the large amount of sea wall designated as "hold the line", the truth is that if the Environment Agency decides that money is not available to maintain defences, it can come back and say, "Even though it is 'hold the line' that does not necessarily mean that we're going to have the money to maintain it." There is a willingness on the part of landowners to take on that responsibility. In previous debates, I raised the difficulties facing landowners in obtaining the necessary consents to carry out minor maintenance work. Something has been done; the Environment Agency has produced a useful pack to give a simple guide to landowners about how to go about maintaining their defences, but it makes it clear there will be a need to get permission from Natural England in areas with sites of special scientific interest.

Mr St Joseph pointed out to me that a long time ago farmers were approached and asked whether they would accept SSSI designation on their sea walls, and they accepted it, thinking that it would have little impact or make little difference to the practicality of maintenance. Obviously, they were happy to do it. It was only later that they discovered that it made a huge difference and, as a result, it became much more difficult for them to obtain the necessary permissions to carry out repair work on their sea walls. The willingness is there but more still needs to be done to make it easier for landowners to take on the responsibility and carry out the work if the Environment Agency is unable or unwilling to do it.

I shall end by stressing a point that came out particularly in the opening speech of my hon. Friend the Member for Suffolk Coastal, which is the feeling that there has been a lack of dialogue. A group of farmers in my constituency approached me and said that they had repeatedly asked to discuss with Natural England how it could be made easier to reach agreement on what was acceptable and welcome work to maintain defences, and on how to obtain the necessary consents. As far as I am aware, that group has not yet had a response from Natural England. I have written to Natural England and I have not yet had a response. Much more needs to be done in that area to increase co-operation and understanding, because the absence of those things leads to resentment, making it much more difficult to achieve what we all want, which is protection wherever possible of land and human habitation within the necessary economic constraints that exist today.

11.39 am

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): May I add to the congratulations to my hon. Friend the Member for Suffolk Coastal (Dr Coffey) on securing this important and timely debate? It is important because Britain has, I am led to believe, 11,073 miles of coast, and, although I do not have "coastal" in my constituency name, the longest boundary I have is part of Morecambe bay on the west coast on the Irish sea. The debate is timely because the shoreline management plans are due for completion in the next few weeks. They will be delivered through the Environment Agency and local councils. In the longer term, my hon. Friends have hinted at concerns about erosion and about which parts of England are going up and which are going down. When I learned geography at school, I was always told that the east was going down and the west was coming up, but now I am told differently. However, hon. Members will be pleased to know that I do not want to go into that kind of science; I was not the greatest geographer, although for a time I did manage to teach the subject. *[Interruption.]* Well, I always thought that geography was an easier subject than history.

Thurnham parish is in my patch. It is a rural parish with no particular centre. It is not a village; it is an area comprising scattered farms and caravan parks and caravan developments by the coast. The people who live there are retired couples and those who want to bring up their children in a rural area. It lies between the villages of Cockerham and Glasson Dock and it is part of Lancaster city council district. It is Thurnham parish's experience in this process that I want to highlight.

Unlike most of England's coastline, Thurnham has been protected by a "hold the line" policy, which means that it has a system of hard defences—in this case a sea wall and vast numbers of drainage channels. However, according to the Environment Agency, such defences have been thought to be inadequate for future years and the whole area is being reassessed as part of the shoreline management process.

We then come on to the interesting concept of managed realignment, which is a phrase that sounds almost Orwellian. The Library briefing says that

> "managed realignment is still in an experimental phase with research showing many uncertainties in outcome."

My concern is that we are basing many of our shoreline management plans on something that is experimental, and that is impacting on people's lives and livelihoods. If a new experimental system is to be used, where has the effort been to explain the benefits of the scheme or to convince and win over those who will be affected? At the moment, the people in Thurnham believe that this is part of a cost-saving exercise.

Let me turn to the consultation on the second phase, which my hon. Friend the Member for Maldon (Mr Whittingdale) mentioned. Yet again, my constituents

[Eric Ollerenshaw]

have had the same experience of consultation. There were two public meetings and a 12-month consultation in which everyone in this country, from the Ramblers Association to English Nature and English Heritage, was consulted—apart from the residents who live in the area. I am told that it was only when a district councillor asked a parish councillor why no one from Thurnham had been turning up to meetings that it was clear that no one had actually been told to turn up.

Eventually, the residents were involved in the process. We secured another couple of meetings to try to understand what was going on. The challenge from residents was, "Why are you just considering managed realignment?" That was after a long explanation of what managed realignment might involve. Again, the issue of compensation—or lack of compensation—arose. Some residents were even told that if this happened, they would have to demolish their own house to allow the sea and salt marshes to encroach. It almost seemed that the habitat of birds was far more important than the generations of people who had lived in the area for hundreds of years and who had invested a great deal of money there—some had done so just a few months before they found out about the operation.

We finally get to a stage in which the council recognises the residents and the residents are talking to the Environment Agency. The agency finally walks the sea wall and finds that it is in far better shape than it first imagined. Now it has been agreed that there will be a further look at the cost-benefits of managed realignment and of holding the line. The agency says that such a policy will involve £100,000, for which it hopes to bid centrally. If it does not get the money this year, it will try again next year. The completion of this process will take five years, but if it does not get the money this year it will take six years. In the meantime, that whole area is blighted in terms of the ability to sell property or invest more in thriving businesses. Farmers wanting to invest are lost in the whole process, wondering where to go from here.

On consultation, as other hon. Members have said, can the details of how the costs and benefits fit together be supplied to me and residents of the area, so that we can understand how the processes work? So far, the new Government have pushed for transparency and clarity on what the Government spend and how they operate, so it is not asking a great deal to see the spreadsheet analysis and the cost-benefit formulae behind it, so that residents of Thurnham can have some grasp of the process, even though they will now sit there for five, six or seven years with that blight on them.

In conclusion—I realise that other Members want to speak—my constituents' experience of the SMP process has not been good. They were ignored at the start, and they have been treated as though they do not understand their own area. They are now asking the new Government to supply them with information and to treat them as the grown-ups they are by helping them to understand all the pressures on the Government in dealing with the coast. They live and work there, understand the coastline and have a contribution to make, and they are asking the Minister to let them.

11.46 am

Brandon Lewis (Great Yarmouth) (Con): Hemsby in Great Yarmouth has £80 million of tourism economy at risk from shoreline management issues. Tourism in Great Yarmouth is worth about £500 million a year, so a deteriorating coastline is a huge issue. I congratulate my hon. Friend the Member for Suffolk Coastal (Dr Coffey) on securing this debate and being a fantastic advocate for her constituency and coastal erosion issues in general.

When the Minister visited our coastline—I congratulate him on coming so quickly—it was clear that he needed many advisers with him. There were advisers from Natural England, the Environment Agency and a range of other quangos for which I cannot begin to remember the acronyms. It highlighted residents' problem in understanding what they can and cannot do. Every part of the coastline is under a different agency or ownership and involves going to a different body—from the local authority to central Government to various quangos.

In Hemsby, tourism is a great concern. A lot of the properties there, as my hon. Friend the Member for Maldon (Mr Whittingdale) said, are mobile homes, which are classed as temporary and therefore not counted in the cost-benefit analysis. Their value runs to tens of millions of pounds, but they are simply not counted when weighed against water voles, for instance, or in our case the lifespan of terns. Terns are phenomenally interesting birds, but I struggle to see how they match up to a tourism industry of about £80 million.

We have an area of special scientific interest in Winterton that has eroded dramatically over the past 10 years and continues to erode to the point where commercial properties as well as a coast watchtower are at risk. In Hopton, residents have watched the coastline move dramatically in the past few years. The shoreline management plan's weakness in round 2 was highlighted when properties bought there under "hold the line" were reassessed as requiring no active intervention.

My experience with the SMP has been good. In Great Yarmouth, at least, the authorities have listened and reacted by changing the final recommendation back to managed retreat. That might allow private individuals and commercial companies in Hopton, such as Potters and Haven, to consider making investments. However, to do so, they must be able to present a full business plan. I will come back to that issue, but I want to touch on a couple of local issues before I discuss the bigger picture.

In Scratby, we have a pathfinder scheme of which many residents and I were wary and suspicious, because it felt as if the Government of the time were trying to buy people off for a year without doing anything. The money put into the pathfinder, at least in Scratby, would have gone a long way toward finishing some of the flood defences for which residents have been working so hard for so long. What the people in Scratby have said to me—I met some of them recently when they came to the meeting of our all-party group on coastal and marine issues—is that they want the freedom to do something for themselves.

Indeed, the example of Scratby provides a perfect transition to discussion of the bigger issue. As has already been touched on, when we look at the shoreline management plans we look at issues over the next 50 or 100 years. The previous MP for Suffolk Coastal made

the point—it has stuck with me because it is very relevant—that the companies and commercial bodies and some of the private individuals affected, particularly regarding tourism, need to see that they can protect the coastline and make an investment that gives them a business plan of 20 to 30 years.

However, we do not really need anything too much beyond that time scale. If we think about what is possible now—compared with what was possible and what we knew 20 years ago; and in some cases, five or 10 years ago—we realise that, once we get beyond the next 20 to 30 years, we are putting our fingers in the wind and guessing how technology and our understanding will change. Therefore, to be honest, the 100-year plans become somewhat redundant. We should focus on what we can do in the next five to 30 years, with a clear understanding that this process is about allowing private individuals and businesses to have a business case to protect their shoreline.

Education is an issue, as has already been mentioned by one of my hon. Friends. We have had a similar issue in Great Yarmouth. Residents in Scratby who are directly affected by coastal erosion obviously care passionately about it, are working hard on dealing with it and have put a lot of resources and their own time into that. However, there are residents who live just one or two roads back from the coastline, let alone a mile inshore, who knew nothing about that work until a major consultation was carried out. Residents in Great Yarmouth who do not live on the coastline do not really understand the big impact that erosion could have on them going down the line.

So education is an issue, because erosion will have an impact. If we do not do something soon to protect the coastline, it will retreat anyway. Erosion will impact on farming. I know that the NFU in Norfolk has been frustrated at its lack of involvement and its inability to understand how it can feed into the process, because of the complexity of the different organisations involved. My hon. Friend the Member for Boston and Skegness (Mark Simmonds) is concerned about farming-related problems and the impact of salt water on the land. In Great Yarmouth we produce many potatoes, to which reference has been made, and some of us enjoy them regularly.

Tourism is also important for areas such as the Norfolk Broads. The authorities there are already finding that salt water levels are rising because of coastal erosion. So coastal erosion has a huge impact and we probably need to do a better job of educating our residents about it. There is huge value in doing something about this issue, in terms not only of protecting property but promoting future peace of mind. However, we must be clear about the time scale.

We also have to be honest and realistic about what the Government can afford to do. I fully understand that they are not in a position to do what I assume and hope they would like to do: to protect every inch of coastline around our country. Residents, certainly those in Great Yarmouth, also understand that. We had a meeting with the Minister near the Suffolk Coastal constituency, at which the people of Waveney, Great Yarmouth and North Norfolk were also represented. Those who attended understood that there is a financial constraint, and that some tough decisions therefore have to be made.

Ian Swales (Redcar) (LD): First, I should declare an interest, in that I have an Environment Agency "blue blob" in my back garden and I live about 20 feet above sea level. Part of Redcar is actually below sea level.

I agree with everything that has been said so far, and I understand the financial constraints. However, I hope we do not allow the current debate and uncertainty to interfere with any schemes that are about to take place—in particular, the new sea wall in the town where I live. I hope the new Government do not decide to pull the funding on everything, and therefore take another number of years to decide what to do.

Brandon Lewis: I thank my hon. Friend for his intervention; he made his point very well.

One of the problems with the structure of SMPs is that many people have come to the view that they have become nothing more than a tick-box process for planning departments. We need to move beyond that. Finance is important in this regard. For some authorities, SMPs must be affordable and they must be responsible for them, because they feel a responsibility to their residents. However, in fact, we should be looking at a plan that gives residents, communities and commercial organisations as much ability to protect the shoreline as the Government have. That is where the big change could occur. My hon. Friend the Member for North Norfolk (Norman Lamb)—my hon. Friend the Member for Suffolk Coastal and I have worked closely with him on the matter—has been talking for some time about a community solidarity fund. I recommend that the Minister consider it, as it could allow local authorities to raise their own funds under the decentralisation—the Localism Bill.

The residents of Scratby have already talked to me about their ideas for a scheme. If they had the freedom to do so, they could raise the funds that would allow them to move forward and finance some of the work that they want to do. They believe that the work needs to be done, and the pathfinder schemes show that it would still be best for Scratby. However, it will have an impact on the coastline. That is why we need some form of community fund, based on the pathfinder work done in North Norfolk on the sale and lease-back scheme. It would be a community-based fund and would have no impact on the Government. Local people could take a view on whether they wanted to do that by holding a referendum, and they could then play their part. Local businesses and organisations could take part, and local authorities could get involved with land deals, for example, which could start making some of these opportunities possible.

[Mr Clive Betts *in the Chair*]

The main message on coastal erosion that I want to get across to the Department—the Minister was positive when he came to Great Yarmouth—is that although we would like the Government to protect everything, most important to the residents affected would be the freedom to get through the overwhelming bureaucracy. It would allow them to become more responsible for their own future; they want to have some control over their destiny and be able to run with it. If it were not for the fact that our forebears were able to deal with coastal erosion, many of those representing coastal areas would not be representing the constituencies they do. We therefore

[Brandon Lewis]

have a huge duty to free up the system, so that in the years to come we can represent our constituencies as they are now.

11.56 am

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): May I start my short submission by congratulating my hon. Friend the Member for Suffolk Coastal (Dr Coffey) on securing this debate? I confess that until I saw the debate title in the Order Paper, I did not realise that there was a shoreline management plan for my part of Wales, a point that was reflected upon by others this morning. That is all the more embarrassing because 60% of my constituency is a variety of shoreline. That is a great asset most of the time, but not when it comes to parliamentary boundary reviews. That, however, is a debate for another day.

The coastline is probably the single most important feature for the tourism industry in south-west Wales. Indeed, I slip into the conversation the fact that *National Geographic* magazine says that it is the second most beautiful coastline in the world. It beats Suffolk and Devon, and even Essex, to that coveted title. Although erosion is not a particular problem in my constituency, management is. For my constituents, the shoreline is not only beautiful and spectacular cliff. It also has beach, marsh and wetlands, as well as estuaries, and balancing the conflicting interests of agriculture and tourism is a constant battle. It is a battle for everyone, including the Pembrokeshire national park, and that has to be reflected in the management plans.

Not many people know this, but before becoming a Member I spent a little time working for the Environment Agency in south-west Wales as an official valuer. One of my earliest jobs was to value the sea wall between the Severn bridge and Trostre steel works in Llanelli. Those who can picture the map of south Wales will realise that it covers pretty much the entire coastline. I made one stupid decision and one sensible one. The stupid decision was to walk every inch of it; the sensible decision was to base my fees not on value but on time. That was just as well, because the capital value of such an asset is £1. Who would want to accept the liability?

That is a serious point. The wall was a hugely important physical feature for the Environment Agency, but it was also important to everyone who had an interest in the estuary. The problem for the agency was that every time one crossed a local authority boundary or a legal boundary between farms, or even when one crossed into a new wildlife trust area, the rules changed. It was impossible to have a cost-effective and cohesive policy for the sea wall along almost the entire stretch of coastline. The upshot is that it was not managed properly, and people's businesses and livelihoods were put at risk.

We are of course sympathetic, as other Members have mentioned, to the point about the ever-increasing pressure on the wildlife asset. However, if there was ever an example of how these things pan out in reality, it is the Cardiff bay barrage. Significant sums were spent on giving migratory wild fowl preferment over the interests of farmers and residents. However, as soon as the barrage was constructed, nature adapted particularly successfully, as it often does, to the changing circumstances. Twenty years on—that is about the right time scale—there is no evidence whatever to suggest that there was a detrimental impact, particularly on migratory wild fowl in the area. The Cardiff bay barrage is a living example of a management process that involves a lot of physical alteration to the coastline, but which has no adverse effect on wildlife. We need to take careful note of the fact that it is possible in such circumstances to have your cake and eat it.

I want to revert to the point about liability and the legal point. As we proceed with the plans and with future shoreline management, we could give local authorities greater responsibility for taking such matters into account through the planning system. In addition, the legal profession may not have been particularly effective in one or two cases when it has come to undertaking searches on behalf of people purchasing properties adjacent to shorelines, to future management plans, and to attempting the impossible task of second-guessing the effects of nature over a long period.

12.1 pm

Sir Peter Soulsby (Leicester South) (Lab): I, too, congratulate the hon. Member for Suffolk Coastal (Dr Coffey) on securing this timely debate on shoreline management plans. She began by telling us that hers is the only constituency with the word "coastal" in its name. The coast that she represents is wonderful and, indeed, has an excellent brewery, which some of us have often appreciated in the past.

Like other hon. Members, the hon. Lady has expressed her constituents' understandable concern about the future of their shoreline. She might not have been resident in the constituency for long, but she has clearly illustrated that she has a good understanding of the issues that affect its coast. It was a great pleasure to note that she has picked up her predecessor's environmental concerns, which she clearly expressed.

Shoreline management issues are controversial and subject to a wide variety of different views and interests. Given the nature of our geography, we in the United Kingdom have sought over many centuries to manage the natural processes, such as erosion and deposition, that affect our shoreline. However, as time has passed, and particularly over recent decades, we have grown to have a better understanding of those natural processes, the risks associated with development on our shoreline and the mechanisms available to manage that shoreline.

The diversity of our shoreline has been well illustrated by the range of hon. Members' contributions. The hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) illustrated the fact that the coastline varies greatly not only from one constituency to another, but within constituencies. As a result, the solutions that are appropriate for one part of the shoreline can be very different from those that are needed elsewhere along the shoreline, even within a constituency.

The hon. Lady referred to "Making Space For Water", and that important publication has had a great impact on how we think about the management of our coast. She also referred to the number of studies done since the mid-1990s, when shoreline management plans were first introduced, that have looked at the broad issues relating to how we manage our shoreline. Since the introduction of those first management plans, we have

seen predictions of sea level rises due to climate change increase dramatically. Those have had to be incorporated into the second generation of plans. The current defences, which may have a limited life, might not be economically, socially, technically or environmentally practical in future. Also, changes in the shoreline might require new approaches to manage future risks.

Clearly, there is no suggestion that we could abandon coastal protection altogether, but climate change is a reality, as is the tilt in our geography, and changing shorelines are to some extent inevitable. I think that we are all aware, though, that many solutions are both expensive and problematic. We are also aware—I have referred to the diversity of our shorelines—that what is appropriate in one area might not be appropriate elsewhere, or indeed in that area in future. The hon. Member for Newton Abbot (Anne Marie Morris) gave an excellent example: what is appropriate in Dawlish is not necessarily appropriate in the Exe estuary. She is right to make the case for continuing the defences at Dawlish because of the railway line that they carry and all that it represents, but she is also right to draw our attention to the different solutions necessary for the nearby Exe estuary.

The purpose of shoreline management plans has been to provide a coherent, consistent and strategic approach to shoreline management. All those elements are important as we look towards the next generation of plans. It is also important to recognise that, as was intended in the beginning, there must be a partnership between local government, local communities, the Environment Agency, Natural England and the many others with an interest in how particular stretches of shoreline are managed. Since their establishment in the mid-1990s, shoreline management plans have undoubtedly had considerable success in providing such strategic, consistent and coherent approaches, but the future will bring new challenges. The hon. Member for Suffolk Coastal was right to draw our attention to the fact that it is not possible to envisage a ring of stone, as she put it, around the United Kingdom. Difficult choices will have to be made.

I hope that when the Minister replies to this debate, he will be able to reassure us about the future. It is of course important, as the hon. Lady said, to enable local communities to respond in ways that they feel are appropriate. It is also important, as the hon. Member for Great Yarmouth (Brandon Lewis) suggested, that there should be a degree of freedom and choice in the way forward. However, the approach to shoreline management plans must continue to be strategic. I hope that the Minister will reassure us that it will be, and that it will not simply be a matter of allowing those individuals and localities that can afford it to build defences, regardless of the impact on other stretches of coast, other communities or other individuals.

I also hope that the Minister can reassure us about something that must be of concern to all of us: the ability of the various partners to continue to play an active part in shoreline management plans. I referred to the Environment Agency and Natural England, but the Department for Environment, Food and Rural Affairs is suffering severe budget reductions, and local authorities will have to make significant reductions as well. I am not talking only about their ability to fund capital works. It is vital that the Minister reassures us about the ability of all the partners to continue to play their part in the management and maintenance of shorelines and about their ability to ensure that they have the expertise necessary to give advice and support to those who have an interest in the future management of shorelines, because the expenditure reductions taking place in DEFRA, the Environment Agency, Natural England and local authorities undoubtedly could result in the loss of the expertise that is essential to make the partnerships that are inherent in the success of shoreline management plans as successful in the future as they have been in the past.

12.10 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I shall begin by congratulating, as other hon. Members have done, my hon. Friend the Member for Suffolk Coastal (Dr Coffey) on obtaining the debate. I also congratulate my many other hon. Friends who participated. I apologise to my hon. Friend the Member for Suffolk Coastal for my presence and for the absence of the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon). I particularly apologise if she had not been forewarned that he could not be here. He is in Brussels at a Council of Fisheries Ministers meeting. That of course also affects her constituency, so I hope that she will forgive me and understand the change. I hope that she will also accept that my background was very significantly in her constituency at one time, when I was chairman of the local authority. Without getting into the "Whose is best?" debate, I can say that I am very familiar with the parts of the beautiful area to which she referred.

Almost all the hon. Members who spoke were, of course, from the eastern side of England, where the tilt is taking place and where coastal erosion is at its worst. However, I will pick up some of the specific points that were made. Shoreline management plans raise difficult issues and cause anxiety for people who are affected, especially if those plans point to the fact that, as the hon. Member for Leicester South (Sir Peter Soulsby) said, there is some inevitability about change. Sometimes we have to accept that it is not possible to maintain the status quo. That controversy in relation to the plans is also in some ways their strength. Arguably, if we did not have shoreline management plans, we would have to invent them. They were invented by the last Conservative Government in 1994; they predate the "Making Space for Water" project.

The plans provide an opportunity for local authorities at the coast, the Environment Agency and the various other bodies mentioned to explore options for the future with local communities and to clarify what they might expect from Government and what they can do for themselves. We owe it to people to be honest and open about what we can afford. I am concerned that a number of hon. Members have referred to the consultation process and pointed out inadequacies to do with second home owners, or others who may feel that they are affected but were not consulted. The consultation ought to be pretty substantial. It should run for three months, and the local authorities are required to run a range of processes to try to reach everyone, including employing coastal community engagement officers to support them. Clearly, if that is not happening, we need to pursue that.

[Mr James Paice]

but it should be the case. I entirely agree with my hon. Friends that no one should feel excluded from the consultation.

When we are examining what we can afford, we must bear in mind the impact that a choice in one place may have on another. That might relate to the community or to the environment. There could even be an impact on coastal erosion, because sometimes if the sea is stopped in one place, it will vent itself in another. There is no doubt—this picks up the point made by the hon. Member for Leicester South—that the Government have fully recognised that flood and coastal defence is a priority. That is why spending on that defence has been largely protected in the spending review. We will be able to invest £2.1 billion over the next four years. We will protect the front-line services, such as forecasting and warning services and incident response, and prioritise the maintenance of existing defences.

It is worth referring to the fact that the threat is changing slightly. Coastal erosion has not changed, but there is now, probably as a result of climate change, an increasing incidence of flash flooding inland. We must also take that into account as part of our overall flood defence programmes. We expect to be able better to protect 145,000 households by March 2015. However, there is no getting away from the fact that times are tough, and it will be difficult to kick off new defence projects over the next couple of years.

I assure hon. Members that the Government are determined to proceed with those projects that are already well advanced. Schemes that are under way will continue and we shall protect the front-line services to which I have referred. However, it will not be affordable or sustainable to maintain the status quo everywhere on the coast, and I do not think that anyone expects otherwise. I entirely appreciate the point made by my hon. Friend the Member for Suffolk Coastal that erosion is permanent. It is a pertinent point for us all to remember, but we must be honest with communities about what can and cannot be done, and provide them with sufficient information to make decisions for themselves. A generation or more of politicians in different Governments have probably given assurances about coastal defences that we have not been able to live up to, and perhaps we need to be more honest. The idea that we could always hold the line on the whole of our coastline in perpetuity was probably wrong from the outset.

I fully take the point about the need to inform homeowners about what might happen to their properties, and also the point that several hon. Members have made about the impact on agricultural land. I shall return to that in a moment. However, it does not make sense do things to manage erosion or flooding in one place without regard, as I said earlier, to the impact elsewhere. Nor is it right to give people the impression that the Government—and only Government—will pay for defences, or that they will pay for those defences if there are no realistic prospects for them.

That does not mean that people cannot take measures to protect themselves with the support of the relevant authorities. My hon. Friend the Member for Suffolk Coastal referred to the visit of my hon. Friend the Under-Secretary, and to work in her constituency at Bawdsey, Thorpeness and elsewhere, where a local initiative has created the means of self-help in erosion prevention. The coast has always been changing; my hon. Friend referred to a map suggesting that Cambridge could become a coastal town, and I can tell her that it once was. Much of my constituency, which is to the east of Cambridge, would not be there had it not been for flood defences. It probably would not be there if we had had to get planning permission for them, either, but never mind. There are villages in my constituency called Waterbeach, Landbeach and Reach—all names that show they were once on the coast. Some things come around again; though I hope they will not do so in my lifetime.

I want to respond to points made by hon. Members. My hon. Friend the Member for Newton Abbot (Anne Marie Morris) referred to issues affecting her patch, including the integrity of the sea wall and the railway line to Dawlish—which I, too, would like protected; it is a wonderful rail trip, and I am glad that that the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker), is supportive. My hon. Friend discussed Dawlish Warren and the fact that there is a hold-the-line defence until 2025, when the policy will be mixed. That gives me the opportunity to make the point that shoreline management plans are not cast in stone for ever and a day. There is an opportunity to review them every five to 10 years, so changes can be made, to reflect new local priorities or countless other occurrences. I understand my hon. Friend's comment about the question of who is paying, with respect to the Exe estuary, and will draw it to the attention of my hon. Friend the Under-Secretary.

My hon. Friend the Member for Maldon (Mr Whittingdale) represents another area where I spent much of my earlier life—though reaching the heights of chairmanship of the county NFU is something that eluded me.

Mr Whittingdale: I was at a meeting and saw my hon. Friend's name in impressive gold letters on a board a few weeks ago, so he is clearly held in high regard.

Mr Paice: I am very grateful for that. I think that my hon. Friend will find that I was chairman of Essex Young Farmers, rather than the National Farmers Union. In those days, believe it or not, I was young. My hon. Friend also referred to the 1953 floods and the memories of them. I am probably one of the few people in the House who remembers them—just. I was a very small child at the time, living just outside Felixstowe. The flood came close to where I was living and it was horrendous. That sort of memory lives on. People will always be frightened if they have been through that awful experience.

My hon. Friend referred to the importance of agricultural land. As a Minister with responsibility for agriculture, and coming from such a background, too, I am very concerned about it. However, I accept that against someone's home, it comes second; we must all realise that. I hope that the point I will come to in a minute about other Government proposals will reassure colleagues that it is something that we are trying to address, albeit in a different way. I take his point about the involvement of local landowners in shoreline management plans and I am very much aware of the work of Andrew St Joseph in trying to drive that forward and in generating dialogue.

My hon. Friend and one or two other hon. Members referred to the role of Natural England. Although it has a vital role to play, it is important that it adopts a more enabling and supportive role and that it recognises that other issues are involved. We are making some substantial changes to the way in which Natural England is organised and run, which I hope will make it more responsive to local needs and understanding, and I am happy to give my hon. Friend that assurance.

My hon. Friend the Member for Maldon also referred to the difficulty of landowners in doing maintenance work. I am not sure whether that happens just in his constituency, but an Essex farmer, who had better remain nameless, told me that he was given permission by the Environment Agency to do some maintenance work on the sea wall, which involved several hundred tonnes of stone. Natural England then came along and told him that the stone had to go in by helicopter, which stopped the process in its tracks.

Mobile homes, to which a number of hon. Friends referred, are included in the cost benefit analysis, although at a lower rate than a fixed building because they can be moved. My hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw) referred to the issue of consultation and to the apparent priority of the habitats directive, which allows projects to go ahead, even where damage to protected sites is foreseen as a consequence. Projects that damage European protected sites can still go ahead if there are imperative reasons for overriding that public interest or if there are no alternative solutions and if necessary compensatory measures are in place.

The issue of how cost benefits are calculated, to which my hon. Friend also referred, are addressed on the DEFRA website. I will write to him with more detail, because I fully appreciate that people have a right to know. My hon. Friend the Member for Great Yarmouth (Brandon Lewis) referred to the solidarity fund promoted by the hon. Member for North Norfolk (Norman Lamb). I know that the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury, is, in principle, supportive of that, but it is a matter for local people to take forward. Although the comments from my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) cover a devolved issue, I appreciate his point about the liability aspect.

As the hon. Member for Leicester South said, no two places on the coast are the same, which is one reason why greater local involvement is necessary if we are to get this job right. The powers of consent for work rest with the local authority, except where there are certain European obligations to achieve, and then the powers rest with the Secretary of State. The House is aware that the coalition Government are determined to be the greenest Government ever, and that includes protecting and enhancing the natural environment. None the less, we need to be more creative in the way in which we serve those interests as well as meeting our international obligations and protecting agricultural land wherever possible.

Greater local involvement is at the heart of the Government's proposed "payment for outcomes" funding approach, which we launched for public consultation last Wednesday, alongside the joint consultation with the Environment Agency of the national flood and coastal erosion risk management strategy. The consultation suggests changes to the way in which Government funding is allocated to flood and coastal defence projects. That follows recommendations by Sir Michael Pitt in his review of the 2007 flooding. The reforms aim to provide improved transparency and greater certainty over potential funding levels from the general taxpayer for every flood and coastal defence project. They will also allow local areas to have a bigger say in what is done to protect them. Over time, local ambitions on protection no longer need be constrained by what national budgets can afford, and the reforms will encourage innovative, cost-effective solutions in which civil society can play a greater role. This is about saying what the Government think the cost-benefit analysis is and, therefore, what funding might be available from Government. If that is not enough to do the work, the local community has the option to find funding to enable it to happen.

Dr Thérèse Coffey: One of the criticisms that sometimes comes out is about over-engineering and, therefore, the high costs of work. That is a constant refrain from landowners who believe that they could do a lot of the work at a much lower cost.

Mr Paice: I am grateful to my hon. Friend; she makes a point that has been made many times. I know that the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury is conscious of that issue and is working with the Environment Agency to see how we can alter the situation, which I do not think necessarily means reducing the specification of what is done. I am grateful to my hon. Friend for raising the matter.

The proposals to which I have just referred are subject to consultation and final decisions will be made in the spring after the consultation closes on 16 February 2011. I hope that this will mark a significant step forward in how we go about things. I think I have referred to most of the issues that hon. Members raised; if I have not or if I have answered their concerns inadequately, perhaps Members could let me know.

Sir Peter Soulsby: I referred, at the conclusion of my remarks, to the loss of staff and expertise from Natural England, the Environment Agency and local government. The Minister referred to the role of Natural England as enabling and supporting Government. Will he provide reassurance that the Department is aware if that role is to be played, Natural England needs experts to offer the support that is fundamental to making a success of the plans?

Mr Paice: I cannot give the hon. Gentleman assurances about individuals for obvious reasons. Although, as he says, we are making significant savings across all the arms-length bodies, and within DEFRA, there is no reason why they should not retain the element of expertise to which he refers. We are trying to ensure that those arms-length bodies retain the ability do what they have to do and what Government need them to do, which includes giving scientific advice. Natural England is, after all, the statutory adviser to the Government on such issues, and it will retain that role. Where there are functions that the private or third sector can perform, we should try to make that happen. I know that the hon. Gentleman is not suggesting otherwise, but those bodies have taken their fair share of the reduction in

[Mr Paice]

funding that we have had to make as part of dealing with the overall public deficit. I hope that I have addressed most of the issues raised by hon. Members, but if not, I am happy to write to anyone who wishes to raise an issue with me.

Breast Cancer Screening (Young Women)

12.29 pm

Pat Glass (North West Durham) (Lab): Breast Cancer is the UK's most common cancer. It affects thousands of families every year. Almost 48,000 people were diagnosed with breast cancer last year: 47,000 women and 277 men, and 125 women will be diagnosed with breast cancer today. Breast cancer incidence rates among women have increased by 50% over the past 25 years—5% in the past 10 years—and, because of lifestyles changes such as increased obesity and drinking in young women, those incidence rates will continue to rise, particularly for those under 50. Eight in 10 breast cancers diagnosed are in women aged 50 or over, but that means that two in every 10 are diagnosed in younger women, who may have young families. For young women the disease can be particularly virulent and aggressive, and the chances of survival are less good as a result.

Ian Lavery (Wansbeck) (Lab): Does my hon. Friend agree that the time between the mammogram and the results is critical, and that the length of that period depends on the area and district a person lives in and the hospital they attend? It could be between a week and up to four weeks, depending on the hospital, which could mean the difference between life and death. At the same time, those with money have the opportunity to have a mammogram in the morning and receive the results in the afternoon.

Pat Glass: That is incredibly true. I am particularly concerned about young women, and in many cases the younger they are, the more virulent the disease is and the chances of survival are less good as a result, so that is particularly crucial. Every family in this country will be touched by this awful disease. Within my family, four close relatives have died of breast cancer in recent years, all aged well under 50; and a cousin, also under 50, is currently battling the disease for a second time.

However, it was an inspirational woman, Trish Greensmith, who runs the Chyrelle Addams breast cancer appeal trust in my constituency, who first brought home to me the number of young women who are being diagnosed with, and having to fight, breast cancer today. She told me that when she first visited an oncology clinic she was struck by the number of young women in the waiting room—young women who were trying to deal with virulent and aggressive cancers while bringing up young families. Under the current system, they would never be offered the opportunity for routine screening, which might have detected their cancers early and saved their lives. More women are surviving breast cancer than ever before, and the survival rates have steadily improved over the past 30 years, but 12,000 women and 70 men in the UK died from breast cancer last year.

Alex Cunningham (Stockton North) (Lab): I congratulate my hon. Friend on securing this important debate. Few people will not have a friend or relative who will suffer from breast cancer and who would benefit from earlier diagnosis and improved information. I understand that Cambridge university has developed a computer programme called "Predict", which allows any patient—or doctor—to go online and enter their symptoms and the kind of cancer they have, and it will predict their life

expectancy and the likelihood of survival. Does my hon. Friend agree that that would be another useful tool to help inform and reassure women and men who are diagnosed with breast cancer?

Pat Glass: I am aware of the "Predict" computer system, which is an incredibly useful tool in the hands of clinicians, but I do not think it should be generally available for people to use in their own homes to calculate, using their symptoms, how long they have to live. I think they would find that very worrying. However, it would be incredibly useful for their doctor.

Of the women who died last year from breast cancer, 1,300 were under 50 years old. We know that women with a mother, sister or daughter who have been diagnosed with breast cancer have almost double the risk of being diagnosed themselves. We know that the risk increases with the number of first-degree relatives diagnosed, but even so, eight out of nine breast cancers occur in women with no family history of cancer whatsoever.

Natascha Engel (North East Derbyshire) (Lab): A woman in Derbyshire, Wendy Watson, runs the national hereditary breast cancer helpline. What is my hon. Friend's view on getting national funding for that helpline, which is a lifeline for many women suffering from hereditary breast cancer?

Pat Glass: I am aware of Wendy and the fantastic work she does; I also know that she is struggling to secure funding. Perhaps the Minister might look at that as a result of today's debate. I thank my hon. Friend for making that point.

We know that obesity presents a risk, as do hormone replacement therapy and the use of oral contraceptives. In the binge capital of Europe, we are now told that as little as one alcoholic drink per day increases the risk of breast cancer by about 12%.

Neil Carmichael (Stroud) (Con): Breakthrough Breast Cancer, which is an excellent organisation, has rammed home the point that awareness is important and that we should all do all we can to remind women of that. We should make women aware that they need to be aware.

Pat Glass: I absolutely agree.

Going back to the risk factors—obesity, HRT, oral contraceptives and alcohol—all of them are likely to affect women under 50 more than women over 50, and yet women under 50 are not routinely offered screening of any kind. About 1.5 million women in the UK are screened for breast cancer each year, and we must congratulate those involved in the routine screening programme on the many lives they save. The previous Government extended the screening programme so that from 2012, all women aged 47 to 73 will be invited for routine screening. That extension will save many more lives, but it will do nothing to help identify breast cancer in younger women.

Concerns have been expressed that wider screening could lead to over-diagnosis, but recent research is showing that the benefits of mammographic screening in terms of lives saved are greater than the harm caused by over-diagnosis. Those same arguments about over-diagnosis were used in the past to argue against extending screening for womb cancer and cervical cancer, but the response to those arguments has always been that it is better to be safe than sorry, and that, in the case of breast cancer screening, between two and two and a half lives are saved for every over-diagnosed case. Despite that, however, women under 50 are not currently offered routine screening.

It is also argued that film mammograms are not as effective for pre-menopausal women as for post-menopausal, as the greater density of breast tissue in pre-menopausal women makes it more difficult to detect problems. That is absolutely right. Screening of women under 50 may not be as effective as screening of women over 50, but it can still be effective, certainly in the absence of any other screening programme.

It is also argued that routine screening of women under 50 is not necessary, because the incidence of breast cancer is lower in that age group. I would say, "Tell that to the hundreds or thousands of young women battling this disease", who say that any arguments about numbers are outweighed by the increased virulence of the disease in the young.

We are told that, because breast cancer is less common in women under 50, research trials have shown that regular screening of young women does not help to save lives. It is even argued that in other trials, regular mammogram screening is more of a risk than not screening. However, I say to the Minister, "Tell that to the young women currently undergoing chemotherapy".

It is absolutely clear that mammogram screening is most effective among women who have gone through the menopause, but recent research shows that it can also be effective among those aged 35 to 50 and that, despite all the counter-arguments, there is now increasing evidence that there are significant gains to be made by routine screening of women from the age of 35 upwards.

Grahame M. Morris (Easington) (Lab): I compliment my hon. Friend on securing time for this important debate. On routine screening and the value of targeting a particular age group, I, too, have received information from Breakthrough Breast Cancer—an excellent organisation—pointing out that 1,400 lives a year are saved by routine breast screening. However, Breakthrough Breast Cancer also says that any woman aged 70 or over is not routinely invited to attend for breast screening. It may well be advantageous, in terms of improving the health outcomes of those women, if a screening programme targeted them, too, in view of the high incidence of breast cancer among post-menopausal women.

Pat Glass: I thank my hon. Friend for that intervention.

I ask the Minister to consider the arguments that have been put forward and the increasing weight of medical evidence calling for routine screening from the age of 35 onwards. In his response, I ask him not to pull out the one argument that the coalition Government seem to have for everything: that there is no money. If we could set aside £9 billion last week to build more trains to make commuting more comfortable, surely we can consider routine screening. If we can find £9 billion to lend to the Irish in their hour of need, surely we can find the money to save young lives.

I understand that the Minister is unable to announce that routine screening for breast cancer will start tomorrow, but he could consider a long-term plan—over five years,

[Pat Glass]

for example—to reduce the age of screening to 45 in year one, 42 in year two, 40 in year three, 38 in year four, and to 35 within five years. Such a policy would be universally welcomed and could save precious lives.

I am aware of the Breakthrough Breast Cancer campaign. In particular, it seeks early breast screening for women from the age of 35 where there is a history of breast cancer. We must learn lessons from the highly successful cervical cancer screening programme. Early intervention is cost-effective—it saves the country money in the longer term, and it saves lives.

12.41 pm

The Minister of State, Department of Health (Paul Burstow): It is a delight to serve under your chairmanship, Mr Betts, and I congratulate the hon. Member for North West Durham (Pat Glass) on securing this important debate. As others have said, it is important that we do everything possible to increase awareness of breast cancer so that people are more aware of signs and symptoms and are able to present themselves at an earlier time and thus make the chances of survival much greater. I also congratulate the hon. Lady on the work that she does in raising funds and increasing awareness of the issue, as she has done today. I note the personal experience that she draws on.

Around 40,000 women a year are diagnosed with the disease—that is a third of all cancer diagnoses in women. The hon. Lady made a good speech setting out a powerful case that needs proper consideration. It is a shame that she made the point about Ministers trotting out certain lines about coalition funding and so on, as that added nothing to the debate. I was certainly not intending to go down that line because I want to try to give a substantive response to her remarks.

Breast cancer can strike women of all ages, although a person's risk of developing it rises dramatically after middle age, with cases peaking among women in their early 60s. The prognosis for a person with breast cancer has transformed over the last 40 years. It has gone from a consistently lethal killer, to the second-least deadly form of the disease, if judged by five-year survival rates.

The NHS breast screening programme has played a major part in that success. Since it began in 1988, the programme has made a huge difference to a woman's chances of surviving breast cancer. Around 83% of all women with breast cancer are still alive five years after diagnosis, and among those whose cancer is detected through screening, that survival rate increases to over 96%. That is a striking demonstration of the power of detecting cancer early on—that point has rightly been made in the debate—and that is why we will make earlier detection a key part of our forthcoming cancer reform strategy.

Experts believe that the current breast screening programme saves 1,400 lives a year among the 50 to 70-year-old age group on which it focuses. That point was made by the hon. Member for Easington (Grahame M. Morris). Therefore, the hon. Lady asks a fair question about whether there is scope to widen the net and whether that would be appropriate. Should we be looking to extend the programme to cover other age groups?

Under the current programme, women aged between 50 and 70 are routinely invited for screening, and women over 70 can request to be screened every three years. The hon. Lady suggested that women as young as 30 should be invited for screening. When it comes to health care, our priority is simple—to have outcomes that compare with the very best in the world. We will achieve that by handing power to front-line professionals and basing decisions on the best available evidence. That is where there is a debate. I am interested and I listened carefully to what the hon. Lady said about the emerging evidence. However, when it comes to extending screening to all women older than 30, as far as I can see, the evidence is not there.

Pat Glass: May I just clarify that I am talking about women between the ages of 35 and 47 rather than 30? That is the point at which screening would be most helpful.

Paul Burstow: I am grateful to the hon. Lady for that clarification. In 2006, the Institute of Cancer Research published the results of a 15-year study of the benefits of screening women from the age of 40. The study invited about 53,000 women to receive annual breast cancer screening over nine years and then compared them to a control group of women who received standard NHS treatment. The study found that the reduction in deaths due to screening was not statistically significant. I understand that, for the individual, it is 100%; I understand the hon. Lady's powerful point. She might say that, if such measures save a single life, they are worth doing. However, the study pointed out, as she seemed to guess, that early screening had significant disadvantages. Almost one in four women in the study had at least one false positive, with all the resulting distress, anxiety and unnecessary follow-up, including invasive biopsies. Currently, there are about 7 million women aged between 30 and 49 in England. I accept that she wants to screen from 35 onwards, but if the take-up rate among that population were 75%, we would be screening about 5 million more women a year. Even if the minimum age were 35, it would create the issue of false positives.

Ian Lavery: Does the Minister agree that there is still a huge diagnosis problem, involving the time between mammogram and results, based on what is classed as a postcode lottery? We need to look at that and ensure that each patient, regardless of wealth or where they reside, gets her mammogram results within days, not weeks.

Paul Burstow: Yes. It is entirely right for the hon. Gentleman to make that point. That is why this Government will publish the first ever NHS outcomes framework, which will focus much more clearly on how we ensure that the system delivers the right outcomes in terms of cancer survival. We will publish that shortly, along with a new cancer reform strategy in due course that will say even more.

The Government's view at present is that the risks of the change proposed by the hon. Lady outweigh the benefits. However, I want to ensure that the evidence that she has discussed is properly evaluated by officials in the Department. We will consider those points and her representations carefully, and I will write to her after we have had an opportunity to do so. However, the

Department's view and the Government's view about maintaining the status quo is shared by most countries in Europe, as well as the Council of Europe, which recommends a breast cancer screening age of 50 to 69. The United States recommends screening every two years for women aged between 50 and 74. The position that this country has adopted for a considerable time is based on international practice and the best available evidence. One must be open to changes in evidence; that is important in an evidence-based approach to developing policy.

Grahame M. Morris: On best practice and targeting available resources, the figures suggest that in some areas, as many as one third of women within the target group aged 50 to 70 do not attend routine screenings. There are various reasons for that. It might have to do with misconceptions about the nature of the screening test. In some urban areas, it might have to do with the fact that there is a large transient population. In my area, where we also have the problem of people failing to turn up for routine appointments, they may be reluctant or poorly educated, or a number of—

Mr Clive Betts (in the Chair): Order. Interventions are meant to be brief.

Grahame M. Morris: I apologise. The Minister will see the point that I am trying to make.

Paul Burstow: I understand fully. Today, the Secretary of State will make a statement in the House setting out this Government's new commitments on public health and the clear lines that we are drawing on tackling health inequalities. Some of the issues clearly involve a social gradient that we must address, and we will address them in our new cancer reform strategy and public health White Paper.

Pat Glass: I appreciate what the Minister says about considering new evidence. Will he also take into account—this relates to the remarks by my hon. Friend the Member for Easington (Grahame M. Morris)—the issues that affect younger women and the cohort that those younger women are likely to come from? It is about obesity, hormone replacement therapy and alcohol. It is younger women from low socio-economic backgrounds who are likely to be hit hardest by those things.

Paul Burstow: I am grateful for those points, and I am coming to them, which is why I was smiling—it was not because of the subject, which is very serious.

Let me talk briefly about partial age extensions, which is another issue worth airing. The last cancer reform strategy committed the Government to extending the NHS breast screening programme to women between the ages of 47 and 73. Beyond 73 years of age, patients would still be able to self-refer. That extension will ensure that all women are invited for screening before their 50th birthday. The June revision to the NHS operating framework confirmed that the extension will begin this year—in 2010-11. By the end of March next year, we expect 60% of screening programmes to be screening that wider age group, and we obviously want to go as far and as fast as we can.

Our updated cancer reform strategy will focus on outcomes and on improving cancer survival rates. Although the one-year and five-year survival rates have improved in recent years, we still lag behind other European nations. If we could match the five-year survival rates of the best countries in Europe, we could save up to 10,000 lives every year in England. As has been said, therefore, early diagnosis is essential. In September, I announced funding for a new £9 million campaign to get people to recognise and, importantly, to act earlier on the signs and symptoms of cancer. We are talking not so much about a campaign as a series of 59 local campaigns, which will focus on the three big killers: breast cancer, bowel cancer and lung cancer. The campaigns will raise public awareness of symptoms and encourage people to talk to their GP at the earliest possible opportunity. We will target those populations that the hon. Member for Easington talked about, which are often harder to reach.

Our approach will also encourage GPs and others in primary care to act appropriately. The tragedy of these cancers is that they are preventable. As has been said, lifestyle—eating too much, drinking too much and not getting enough exercise—plays a big part. That is why the coalition is determined that public health will become a far more important part of overall public policy and practice nationally and locally. We will make sure that we treat and prevent cancer in that context. That is why we will, as I said, publish a White Paper later today to set out how we will provide the right leadership and the strategy to improve people's lifestyles and to reduce their risk of getting cancer in the first place.

Natascha Engel: Will the Minister briefly outline his opinion regarding national funding for the hereditary breast cancer helpline? It is a national service and it needs national funding, but the Department of Health has said that it is more appropriate to fund it locally. This incredibly important service provides information and advice and helps women up and down the country. What does the Minister think needs to be done about it?

Paul Burstow: I am grateful to the hon. Lady, and I certainly pay tribute to the work that the helpline does, but it is important to stress that NHS organisations and commissions are responsible for such funding, so it is perfectly possible for them to collaborate to make the resources available.

The hon. Lady rightly refers to inherited cancers. It is perhaps important to stress that about 5% of women will contract breast cancer simply because it runs in the family. National Institute for Health and Clinical Excellence guidance published in 2004 recommends that women with a moderate or higher risk of familial breast cancer should receive annual screening. However, across the NHS, delivery is patchy, and we have heard examples of that patchiness in the debate. Women deserve better than that; they deserve a consistent service wherever they happen to live. For that reason, the NHS breast screening programme will soon take responsibility for ensuring that familial screening is regularly and routinely carried out.

In conclusion, I very much respect the points that the hon. Member for North West Durham has made, the passion with which she delivered them and the commitment that she clearly has to improving our ability to detect

[Paul Burstow]

these cancers early and prevent them. We must do everything we can to improve survival rates and to improve the quality of life for those living with cancer. We will do that by focusing resources on what works and where the evidence demonstrates the risks are outweighed by the benefits. In this instance, the evidence at the moment is clear: extending annual breast cancer screening to all women over the age of 35 would not improve their chances of surviving the disease. However, it would mean that we would need to ensure that we did not place women in a situation where they felt unnecessary anxiety as a result of false positives. We will always act on best evidence, which is why I make the undertaking to take away the evidence that the hon. Lady referred to. At this time the evidence does not lead us to conclude that there is a case for change. But we will keep it under review.

I thank the hon. Lady for raising these matters today. The Government are determined to achieve the best possible outcomes for people with cancer through our public health strategy and our cancer strategy. We are committed to ensuring that the resources are there to avoid the postcode lottery that some hon. Members described, an inheritance that we are determined to deal with.

12.55 pm

Sitting suspended.

Christians in Iraq

1 pm

Andrew Selous (South West Bedfordshire) (Con): It is a great pleasure to serve under you this afternoon, Mr Betts. I am particularly grateful to Mr Speaker for granting me this debate on the position of Christians in Iraq. It follows on from the very well informed debate initiated by my hon. Friend the Member for Gainsborough (Mr Leigh) almost exactly two years ago on 16 December 2008. At that time my hon. Friend told the House that back in 2003, there were some 1.2 million Christians in Iraq and that that number had been reduced to around 600,000 because of the persecution they had suffered. Sadly, since then things have continued to be even more difficult for Christians in Iraq.

It is worth putting on the record the fact that there have been Christians in Iraq since virtually the time of Christ, when doubting Thomas stopped off in what is now modern day Iraq. There are Christians in Iraq who still speak Aramaic, the language that Jesus himself would have spoken, and the tomb of the Old Testament Prophet Nahum is in Iraq with the inscription from Nahum chapter 3 verse 18:

"Your people are scattered on the mountains with none to gather them"

words which, unfortunately, have an eerily accurate ring to them for Christians in and from Iraq today.

Last week I met in my office in the House of Commons an outstanding member of the Iraqi Government—the Minister for Human Rights, Mrs Wijdan, who is herself a Chaldean Catholic, and Canon Andrew White, the Anglican vicar of St George's in Baghdad. Andrew is a long-standing friend and one of the most inspirational Christian leaders I have ever met. I learnt from Canon White that in this month alone more than 100 Christians have been killed in Iraq, and 58 were killed in one massacre during evening mass in the Syrian Catholic church of Our Lady of Salvation in Baghdad on 31 October. Since that atrocity many more Christians have also been targeted, blown up or told that they no longer belong to Iraq and should leave now or be executed. This violence has gone on for many years.

Back in August 2004 there was a series of bombings targeting five churches, and 11 people were killed. In October 2006 an Orthodox priest, Boulos Iskander, was snatched in Mosul by a group demanding ransom. Despite payment of the ransom, the priest was found beheaded, with his arms and legs cut off. In June 2007 Ragheed Ganni, a priest and secretary to Archbishop Paulos Faraj Rahh, was shot dead in his church along with three companions. In January 2008 bombs went off outside three Chaldean and Assyrian churches in Mosul, two churches in Kirkuk and four in Baghdad. In February 2008 the Chaldean Catholic Archbishop, Paulos Faraj Rahh, was kidnapped. His body was found in a shallow grave two weeks later. In April 2008 Father Adel Youssef, an Assyrian Orthodox priest, was shot dead by unknown assailants. In February 2010 at least eight Christians died in a two-week spate of attacks in the northern city of Mosul. So it is a pretty sorry state of affairs.

I am well aware that Iraq is still in the process of forming a Government, some eight and a half months after its general election earlier this year. I would request,

however, that both British and American Ministers raise these issues with the newly appointed Iraqi Ministers as soon as they can after the formation of the new Government. I also hope that able Iraqi Christian MPs are not held back from Government positions merely because of their faith. When I met Mrs Wijdan last week, she told me that a lot of her requests were very practical ones to do with preventing terrorists from outside Iraq entering her country to kill and injure. She also requested help with counter-terrorism and intelligence to prevent such future atrocities.

I have concerns about aspects of the Iraqi education system regarding what is taught about minority faiths in Iraqi schools. Canon Andrew White told me last week that children in his church are being abused at school because they are Christian, and we know that when such prejudices are taught to the young, they can be very hard to shift. I am of course conscious of the recent media reports that some part-time schools in the UK have textbooks that inflame religious prejudice, so we should acknowledge these issues in our own country as well.

In the debate two years ago on this subject, there was discussion of the possible formation of a 19th province in the Nineveh plains, where there would be a Christian majority which would have control over the police and local militia. It is not for foreign countries to advise Iraq how to organise its internal affairs, but I hope that a major middle eastern country such as Iraq can do better than to opt for any form of segregation or ghettoisation of different faiths. I was impressed by the views of Yonadam Kanna, a prominent Member of the Iraqi Parliament, who is a Christian and was reported on the BBC as saying:

"This is our home, we have been together with Muslims for centuries, this is our destiny, and we will stay together".

Mr Edward Leigh (Gainsborough) (Con): I obtained a debate on this subject two years ago because, as my hon. Friend knows, I visited Iraq and went to the tomb of Prophet Nahum. More importantly for the purposes of the present debate, I heard some heart-rending stories from mothers who had lost children and husbands. We have a responsibility in this country because, for all Saddam Hussein's horrendous faults, there was some sort of protection for the Christian community in Iraq. We invaded Iraq and since then the situation for Christians has become deplorable, frightful and murderous. Our Government have some responsibility with respect to the 19th province to make representations and encourage the Government of Iraq to protect that ancient Christian community.

Andrew Selous: I am grateful to my hon. Friend who has gone one better than me in going to Iraq and seeing things for himself. I was able only to meet an Iraqi Minister last week, in Parliament. I bow to my hon. Friend's experience, and thank him for his presence here and his continuing interest in the subject.

Some foreign countries, and Iraqis in exile, have called for greater provision to be made for Christians in Iraq to leave and settle overseas. Again, the view of Canon Andrew White and his congregation at St George's, Baghdad, is that they wish

"to stay and to be safe"

where they are. That should not be too much to ask for. One issue of concern is the fact that traditionally, churches have been protected by Christian police and military personnel in Iraq. As the persecution of Christians has intensified there have been fewer Christian police and military personnel, at a time when they are most needed. The new Iraqi Government will need to examine that issue, to ensure that all minority communities can be protected, even when there are dwindling numbers of police and military personnel from the faith concerned.

An initiative that has done a lot of good in recent years in promoting tolerance and dialogue between the different faiths in Iraq is the High Council of Religious Leaders in Iraq. It was funded by the United States but I understand that the funding has been stopped. Denmark has now agreed to continue funding the group. Parliament should pay tribute to the Government of Denmark for stepping in to provide funding for that organisation. One of the fatwas produced by the group said:

"Therefore religious and ethical duty calls us as Shia and Sunni religious leaders to announce that all killing must be stopped now whatever the reasons and the cause and the motives between Muslims. We must start reconciliation and tolerance and make them the only way to solve the conflicts between the brothers in our country."

It goes on to urge all people of faith in Iraq

"to reject and forsake all violence, killing and provocation"

and furthermore says,

"achieving peace and living together under the rule of law is the demand on all Iraqi people and is the religious and ethical duty of everybody to abandon all violence."

I am sure we would all say amen to that.

In the debate two years ago concern was also expressed about Christian-owned land being taken in the Kurdish north of Iraq. The then Minister of State at the Foreign Office said that he would

"endeavour to discuss it with him"

the Kurdish regional Government Minister for extra-regional affairs

"at the earliest opportunity."—[*Official Report*, 16 December 2008; Vol. 485, c. 44WH.]

Sarah Newton (Truro and Falmouth) (Con): It is excellent that my hon. Friend has secured the debate today. Does he agree that it was a very brave commitment by the coalition Government to maintain levels of funding for overseas aid? Does he also agree that the stated intention of helping post-conflict areas of the world to build tolerant, sustainable communities is a vital aim, and that the Government could be looking at the situation in Iraq with a view to investing resources to ensure the safety of the Christian community there and help them in their larger role of building a peaceful and sustainable Iraq?

Andrew Selous: I thank my hon. Friend, who makes an excellent point; I hope my hon. Friend the Minister will take it back to his colleagues at the Department for International Development to see what can be done. I would be grateful to hear from him whether such conversations with his predecessor took place, and what the result of them was. It would be good to understand how the British Government intend to handle the future protection of all minorities, including that of Christians in Iraq.

[Andrew Selous]

We who sit in this Parliament have the immense privilege of having a voice in the mother of Parliaments. It is our duty to use our voices to speak for those who are suffering for their faith in Iraq.

Ian Paisley (North Antrim) (DUP): Has the hon. Gentleman had any discussions with the British Council, which has done similar work in other conflict areas in promoting tolerance and trying to get a greater understanding of diversity, about what it can do in Iraq? Would he welcome that mechanism as a way in to Iraq to promote Christianity?

Andrew Selous: I am grateful for that intervention, which builds very helpfully on the point that was made earlier. I do not know the exact position of the British Council in Iraq. I raised that question with Canon Andrew White when I met him last week. I will leave the hon. Gentleman's question on the table, as it were, and if the Minister can pick it up in his response, that would be helpful. The hon. Gentleman is right to pursue that line of argument and I am glad the Minister has heard what he had to say.

Whatever our views on the war in Iraq—there are people in this Chamber today from both sides of that debate—there is no question but that this country has an ongoing responsibility and obligation to the people of Iraq and the Christian minority within it. They need to know that they are not alone. Even though our forces on the ground have stopped fighting, we must show that we have not forgotten them and that we have a continuing obligation. I am incredibly grateful to colleagues today for supporting this debate. We have made it clear to our Christian brothers and sisters in Iraq that we stand with them, and that we will continue to ask these questions of our own Government and of the international community.

In its quest to improve human rights around the world, the United Nations has produced for Governments, in relation to the suffering of their own peoples, a new doctrine of responsibility to protect. What engagement have the British Government had with the United Nations and other international organisations to undertake the hard and difficult work of reconciliation and of instilling tolerance, to ensure that these ancient peoples who have lived together in peace for many centuries can do so again, and that Christians are not forced to flee Iraq and many other parts of the middle east? I look forward to the Minister's reply and thank him for his time this afternoon.

1.13 pm

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): I am grateful to have this opportunity to respond to this important debate. I pay tribute to the many Members who have attended and contributed. By so doing, they have indicated and demonstrated their interest in this important matter. I congratulate my hon. Friend the Member for South West Bedfordshire (Andrew Selous) on securing this debate. He raises an important issue that enables me to set out not only the Government's policy towards the protection of Christians in Iraq but our firm position against religious persecution worldwide.

Let me start by saying that the Government utterly condemn all attacks against Iraqi citizens, including Christians and other minority communities. We were appalled at the attack on the Our Lady of Salvation church in Baghdad on 31 October, which killed more than 50 people. The further attacks on 10 November targeted mainly Christian areas across Baghdad, killing six and wounding more than 30 people.

On 1 November, the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North East Bedfordshire (Alistair Burt), spoke to Canon Andrew White, the vicar of the Anglican church in Baghdad, St George's, to express his sadness about the attacks on Christians and the need for all religious minorities to be resilient in the face of such violence. He also issued a statement on behalf of the Government, which I think is worth briefly quoting from. He said:

> "I utterly condemn the attack against Our Lady of Salvation Church in Baghdad. My thoughts are with the families and friends of all those that have been killed or injured in this tragic event. I urge the Iraqi authorities to do all they can to bring to justice those who are responsible for this attack on innocent worshippers, and all Iraq's politicians and diverse communities to work together to tackle the threat of violent extremism."

That is the position of the British Government. We remain in close contact with the Iraqi Government and we are committed to doing all we can to support them where possible.

On 10 November, my right hon. Friend the Foreign Secretary met the visiting Iraqi Minister of Foreign Affairs, Mr Zebari, and he specifically raised the issue of Iraqi Christians with him. Mr Zebari acknowledged that the protection of Christians was the Iraqi Government's responsibility.

My right hon. Friend and colleague the Prime Minister also discussed the attacks on Christians in Iraq, as well as the wider security situation, in a phone call to Iraqi Prime Minister al-Maliki on 15 November, just two weeks ago. The Prime Minister made it clear that the Iraqis had the UK's full support and in turn Mr al-Maliki expressed his concern at recent developments in his country. Mr al-Maliki said that the Iraqi Government were doing everything possible to tackle the terrorist threat and that UK support—including support for efforts to persuade Christian minority groups to remain in Iraq, which is an issue that has been raised in this debate—would be most welcome.

During a visit to the Our Lady of Salvation church on 9 November, Mr al-Maliki said his Government worked for

> "justice and equality among all citizens, noting that Christians are part and parcel of a civilization all Iraqis are proud of."

I was encouraged by the emphatic nature of the Iraqi Prime Minister's statement with regard to Christians in Iraq and the part that they have to play.

I noted the comments by my hon. Friend the Member for South West Bedfordshire regarding the dwindling number of Christian police and security guards in Iraq. The Iraqi police service plays a fundamental role in ensuring that Iraq has a strong rule of law that protects all Iraqis regardless of their religious affiliation. We will continue to encourage the Iraqi Government to improve the professionalism of their police and security forces.

My hon. Friend may be aware that the Under-Secretary of State for Foreign and Commonwealth Affairs, who is the Minister with responsibility for Iraq, visited Iraq

between 22 and 25 November. On that visit, he met a number of senior Christian figures and he raised the plight of the Christian community with the Foreign Minister, the new Speaker of the Council of Representatives, and the President and the Prime Minister of the Kurdistan regional government. The central Government in Iraq are taking responsibility for improving security for Christians, while the Kurdish leadership offered protection to Christians coming to the Kurdistan region from elsewhere in Iraq.

Mr Leigh: It is not only the appalling violence against Christians in Iraq that is of concern but the constant intimidation and encroachment that they face. I must say that a lot of the problems in northern Iraq come from the Kurdish community. I hope that the Minister, before he sits down, will say something about this "19th province". I know that he probably cannot give a commitment one way or another, but the reason the campaign for a 19th province has arisen is that the Christian community in Iraq feels that it is the only way that it can have some sort of protection, including its own militia and its own legal system.

Mr Browne: I am grateful to my hon. Friend for his intervention and for his long-standing interest in the subject. I hope that he is reassured by the very hands-on interest that the Minister with responsibility for Iraq is taking in this matter, including, as I have said, the number of meetings that he held only a week ago in Iraq to discuss it specifically.

The concern that the Government have about going down the track that my hon. Friend the Member for Gainsborough (Mr Leigh) suggests is that we would not wish to see Iraq divided up into provinces based on religious affiliation. We want Iraq as a whole to be a hospitable country for people of all faiths, which is why my hon. Friend the Under-Secretary made a particular point of meeting representatives of the Kurdistan regional government when he was in Iraq a week ago—it was not with a view to segregating Iraq into different religion-based districts.

My hon. Friend the Member for South West Bedfordshire may know that the Iraqi authorities are carrying out a thorough investigation into the attacks, which has, we believe, led to the arrest in the past few days of individuals who may be linked to attacks against Christians. The Iraqi Prime Minister has called on the armed forces and the security forces to be on maximum alert and to secure mosques, churches and other places of worship.

The Iraqi Parliament—the Council of Representatives—has also been active in calling for the Government to do more. It has formally requested the Prime Minister to issue a statement condemning the attacks and to dedicate more resources to stopping them. It has called for the increased recruitment of Christians into the Iraqi security forces. A parliamentary committee, under the leadership of a Christian MP, has been set up to address the official reaction to the attacks. The British Government regard all those as promising steps in the right direction.

I reassure my hon. Friend that the Government will continue to urge the Iraqi Government to protect all communities, especially vulnerable minority groups, and to prosecute those who are found responsible for any acts of violence and intimidation that are carried out against people because of their political, ethnic or religious affiliation. As my hon. Friend will know, the UK has also discussed the current security situation in Iraq with EU partners, including at the Foreign Affairs Council on 22 November.

We are encouraged by responses from the Iraqi authorities suggesting that they take this matter very seriously, and we are pleased to see the renewed commitment to protecting all Iraqi citizens, including Christians. Prime Minister al-Maliki has said that his Government are ready to take whatever measures are viewed as necessary by Christian leaders

"to assure all citizens in general and the Christians of Iraq in particular so that everyone enjoys stability and safety".

Some Members attending the debate may feel that it is one thing to express those good intentions, but another to deliver on them, and I accept that. However, the fact that they have been expressed in such emphatic terms is an encouraging development. I also hope that I have been able to indicate to those attending the debate that concrete actions are being taken, and we will continue to try to ensure that they go as far as possible and lead to desirable consequences.

We are aware of requests made by the Iraqi Human Rights Minister, Mrs Wijdan Salim, for support in developing some of Iraq's counter-terrorism capabilities. Where appropriate, we will work with the Iraqi authorities to consider where our support is best applied. However, Prime Minister al-Maliki has publically committed to improving the security situation.

My hon. Friend may be aware of comments from the exiled archbishop of the Syriac Orthodox Church suggesting that Christians should leave Iraq. The Iraqi Christian community has made it clear that emigration is not the answer, and the British Government agree. Christians are one of Iraq's indigenous populations, and all the religious leaders we have spoken with have reiterated that driving Christians from their homes is the goal of terrorists and not one that we should facilitate with offers of asylum.

During his recent trip to Iraq, my hon. Friend the Under-Secretary, who has responsibility for the middle east, met a number of senior Iraqi Christian figures. The clear sense was of a community that was vulnerable and under threat but determined not to allow the attacks to threaten the continued existence of Christians in Iraq. Prime Minister al-Maliki has commented that

"The countries that have welcomed the victims...of this attack"

the attack on the Church

"have done a noble thing, but that should not encourage emigration".

At this point, I would like to pay tribute to the work of Canon Andrew White, who has been mentioned in the debate, and other religious leaders. We support initiatives that bring together different faith groups to promote tolerance, and I am pleased to hear that Denmark is supporting such initiatives with funding. I join my hon. Friend the Member for South West Bedfordshire in paying tribute to the Danes for their commitment in that regard.

It is important to remember that Iraq has made a long-standing commitment to protect all its minorities. During the universal periodic review of Iraq carried out by the UN Human Rights Council in February 2010, the Iraqi authorities revealed that minorities, including Christians, had been subjected to grave violations at the

[Mr Jeremy Browne]

hands of terrorist groups and militias. The Iraqi Government made a commitment to support the rights and freedoms of all minorities, in keeping with the guarantees set out in their constitution, and they restated their commitment to protect religious institutions and places of worship.

Jeremy Lefroy (Stafford) (Con): I am most grateful for the support that the Government are showing on this issue. Does the Minister agree that, in some ways, the actions and words of the Iraqi Government set an example to other surrounding countries about the way that religious minorities should be treated?

Mr Browne: I do up to a point. The level of willingness to respond to the problem, rather than to conceal it, is encouraging. We all share the concerns. There will be hon. Members who are not Christians but who nevertheless share the concerns about the persecution of Christians and other religious minorities in Iraq. We want a country where people are free to practise their faith without interference, and we are keen to work towards that. We are encouraged that the Iraqi Government, and other senior figures within the Iraqi political environment, share that ambition. It would be extremely worrying were that not the case. There are Christians who hold prominent positions in Iraq, including, as I have said, roles in Parliament chairing a relevant committee. The fact that Christians are institutionalised in Iraq and not pushed to the fringes should encourage us. However, as other hon. Members have said, the situation remains far from desirable, and I hope that the progress is in the right direction.

The UK recognises the importance of protecting and defending the rights of religious minorities, not just in Iraq but worldwide. I will conclude the debate with a quote from the Foreign Secretary, which I hope will provide a wider context to our deliberations. During a recent speech in London on the subject of values he said,

"religious persecution is unacceptable to us at any time in any place."

That is the position of the British Government. It applies to Christians just as much as to any other religious group, and it applies to Iraq just as to any other country. We will pursue a foreign policy in line with those objectives.

Local Government Funding

1.28 pm

Mr Dave Watts (St Helens North) (Lab): I am pleased to have the opportunity to raise this important matter on behalf of my constituents and of SIGOMA—the special interest group of municipal authorities. There is great concern among MPs in the SIGOMA group that we are facing one of the worst spending reviews ever experienced. It is likely to have a massive impact on every part of our public services, whether in education, health or any other area. I am pleased that so many of my colleagues have attended the debate, and I will try to give way to as many of them as I can. I know they will have major concerns about the impact of the spending review on their constituencies.

I believe we are likely to see massive and devastating cuts in our communities, and that the general public have no idea about the scale of the cuts heading their way. When people see the level of cuts, they will be concerned about their implications and the way that the Government are going about them. From day one, both I and the rest of the Opposition have accepted that there must be cuts in public services. We accept that local government must play its part in reducing the deficit. However, we are concerned about the speed of those cuts, the way in which they are being implemented and the unfairness of the cuts to the SIGOMA authorities.

My constituents accept that there needs to be a reduction in public spending and that local government must play its part in the cuts, but they have every reason to feel aggrieved that, at a time when they face massive cuts in their public services, the Government have cut tax for the bankers, who caused the problem, by £1 billion and have already turned their back on doing anything, realistically, about the massive bonuses that continue to be paid to bankers. They have now decided that they will not even publish the size of the bankers' bonuses so that people can hold them accountable for their actions.

The least that my constituents should be able to expect is that any cuts are fair, that they protect the most deprived parts of our communities, that they take into account the unfair cuts that have already taken place, in May, and that they allow time for councils to adjust their budgets. That is one of our major concerns—that the cuts are front-loaded.

Barbara Keeley (Worsley and Eccles South) (Lab): I want to ask my hon. Friend about that. The worst aspect of the cuts that people are seeing is the front-loading—the lack of time that there will be between the settlement and implementation. Does my hon. Friend think, as I do, that it is difficult to see any fairness, as was promised in the comprehensive spending review, in a situation in which some councils, in the most deprived areas, will see reductions in their budget next year of, it has been suggested, up to 25, 30 or 38%, whereas other councils, in the south, will see increases of an equal size—25 to 37%? It is hard to see how there has been fairness. The other promise in the CSR was that those parts of the country that depend on public sector jobs would not be hit the hardest. It is very hard to see those things. I wonder whether my hon. Friend can see them, because I cannot.

Mr Watts: It is very difficult to see any fairness in the system so far. We know that more cuts are on the way. We hope that they will be introduced more fairly and will take into account the unfairness of the last set of cuts, which hit the most deprived communities.

Mr George Howarth (Knowsley) (Lab): My hon. Friend is being generous in giving way. Does he agree that this is not just a question of fairness? It is becoming increasingly apparent that there is a built-in unfairness in the system. Some authorities, of which Knowsley is one, as part of the SIGOMA group of local authorities, are likely to be disproportionately affected. Does he agree that in those circumstances it is important that damping be kept in place, so that the losses we will experience can to some extent be mitigated?

Mr Watts: We would hope, in relation to any massive cuts, that some damping would be introduced to ensure that local authorities do not face the full loss of grant, as they did under the previous Tory Government, who cut millions of pounds from local authorities overnight. The previous Labour Government, when they made changes, put in mechanisms to ensure that local authorities did not suffer in the same way as they had done with the Tory cuts. I hope that the situation will be fairer, that there will be some damping and that local authorities will have an opportunity to adjust their budgets.

Michael Dugher (Barnsley East) (Lab): I am grateful to my hon. Friend for securing this important debate and for the work he has done over many years on behalf of local government. I wonder whether he is aware of a question that I raised yesterday at oral questions to the Secretary of State for Culture, Olympics, Media and Sport. Along with a number of other hon. Members on both sides of the House, I raised the issue of the threat of library closures in many communities because of the cuts to local authorities. I was trying to explain to the Under-Secretary of State for Culture, Olympics, Media and Sport, the hon. Member for Wantage (Mr Vaizey), that the financial realities are different in different parts of the country. As my hon. Friend has said, in an area such as Barnsley, which has very low council tax receipts but high social needs, the pressures on the budget are hugely disproportionate compared with more wealthy areas in the south. The Minister replied that councils needed to show "a little imagination", which I think demonstrates—

Mr Clive Betts (in the Chair): Order. Interventions are supposed to be brief and to the point.

Michael Dugher: Does my hon. Friend agree that that shows how oblivious Ministers are to the financial realities in areas such as Barnsley and St Helens?

Mr Watts: I do. I am pleased that the Minister here is not the Secretary of State, because it is clear from the Secretary of State's comments that he has no idea of the implications of the cuts he is advocating. The idea that the cuts can be dealt with through efficiency savings or by councils using their imaginations as they have not done in the past is ridiculous. I point out that many of the authorities facing the biggest cuts, including my own, are the most efficient and effective already.

My council is a five-star council that provides excellent education, social services and other council services. It has kept its council tax below inflation rates for the past 10 years, and it runs an effective partnership with the voluntary and private sectors, yet it faces up to £12.7 million in cuts in 2011-12 and up to £24 million in cuts by 2014-15, on top of a previous cut of £5.6 million from the working neighbourhoods fund. We also face the potential loss of enterprise growth funds, which have helped regenerate my area; the money is spent in partnership between the private, public and voluntary sectors. Clearly, it is not inefficient councils that face the biggest problems but councils that are well run and well managed and provide good services.

As colleagues and I have said, the Government's record on the matter is not good. So far, cuts have hit the most deprived communities the hardest. They have been front-loaded, and the cuts to the working neighbourhoods fund have hit the most deprived communities in Britain. The record so far is not good.

George Hollingbery (Meon Valley) (Con): Does the hon. Gentleman agree that the councils in the south to which he refers so freely as exceptionally well funded by wealthy local populations suffer exactly the same problem as those in the north? The cuts are fair and proportionate and carry on across the country. The level of funding in many northern councils is considerably higher per capita than in the south. I understand, of course, that the level of need is higher, but does he agree that pain is being felt all over the country and that the cuts are in fact fair?

Mr Watts: I accept that not all deprived communities are in the north. There are certainly deprived areas in the south, and they have been hit hardest as well. They have not been exempt. I do not say that there are no deprived councils in the south, because there certainly are. We need not go farther than Southwark to see major problems, as there are in many other parts of the country.

However, the tax base in most southern areas puts them in a much better position to deal with cuts than areas where the tax base is low, such as St Helens and the SIGOMA authorities. So far, the south-east has lost 13%, the south-west has lost 12% and the north-east and north-west have lost 16%. That demonstrates how unfair the cuts are. I recommend that the Minister read the SIGOMA document "All in this together", which dispels the lie that we are in this together by showing that, and supporting the argument that, local authorities in the most deprived areas are being hit hardest.

George Hollingbery: I am sorry to interrupt again, but that goes to the heart of what I was saying. The level of subsidy per capita in Sedgefield, for example, is five to six times higher than in Hampshire county council. That means that the cuts can, to some degree, be more easily borne by those with much higher per capita funding. The proportion being removed in this element is right at the margin down in the south, and it hurts.

Mr Watts: Before it was changed by the new Government, the system of allocating resources was based on deprivation. A number of factors were to be taken into account, and an academic research document indicated where the grant should go. Unfortunately for many authorities,

[Mr Watts]

the Labour Government did not introduce all those changes but left money in some of the southern areas that should have been passed to the north. The changes were not fully implemented.

We would have no problem if an academic study was undertaken on the need to spend that took account of deprivation, if that is what the Government wanted to do. However, the Government are not doing that. Instead, they are finding ways to cut budgets for the most deprived councils without an academic study, and with no research documents to back their actions. Frankly, we think they are gerrymandering the system to ensure that their councils are not hit as badly as ours.

Mr Marcus Jones (Nuneaton) (Con) *rose—*

Barbara Keeley *rose—*

Mr Watts: I give way first to my hon. Friend.

Barbara Keeley: Will my hon. Friend comment on this, as I know he is concerned about the matter and knows the information for SIGOMA authorities? My local authority of Salford is to have a 13% cut, taking only the cuts being inflicted by the Government, but the loss of the working neighbourhoods fund will take it up to a cut of 18% or 19%. The hon. Member for Meon Valley (George Hollingbery) is referring to councils that do not have unemployment problems of the sort that would need the working neighbourhoods fund—problems that the SIGOMA authorities definitely will have.

Mr Watts: My hon. Friend is right. That funding has made a tremendous difference for some of the country's most deprived communities. The cuts will be a massive loss to them. The Government should be ashamed. If they are going to cut, they should do so in a way that protects the most deprived communities, not doing as they are and making cuts in the most deprived areas.

Mr Marcus Jones: Does the hon. Gentleman not accept that areas such as Nuneaton in Warwickshire were particularly underfunded under the Labour Government? He mentioned gerrymandering, but that seems to have been the case for many years when comparing the funding for shire counties such as Warwickshire with that for the Labour heartlands in the north, and particularly those in the north-east.

Mr Watts: That argument is put forward by many councils. They say that everyone should get the same; if everyone does not get the same because deprivation is taken into account, they say that that it is unfair. The grant system took account of the ability of local councils to raise local tax and of the deprivation within their communities. The hon. Gentleman suggests that everyone should get the same, regardless of deprivation. As I said before, I would have no problem if the Government were going about the job by doing some academic work and producing a study that people could consult, taking account of existing need and deprivation. That is not happening, and the Government should be ashamed of their proposals.

The Government cuts will go so far as to hit the most deprived communities, and they are front-loaded. We have lost the neighbourhoods fund. As I said before, the south has been protected but not the north. I was saying that the Minister should read the SIGOMA document, which goes into far more detail about the unfairness of the proposed cuts. He should also read "Hard Times", a document produced two weeks ago by the Industrial Communities Alliance. Hard times is what our communities are in for. That document shows the devastating effect that the cuts in public spending will have on our areas. Anyone who reads it could not help but understand the deprivation that will exist as a result of the cuts.

We fear that the cuts are heading our way. We could lose 33% of our grant in 2010, and a further 22% by 2011. We hope that that is not the case, but we know from what the Government have done so far that that is the likely impact. There is no way in which efficiencies can stop the wholesale closure of libraries, and we will also have fewer policemen and firemen, and fewer social workers, if that level of cuts is introduced in our communities.

On top of that, the Government have top-sliced the council block grant to pay for the freeze on council tax. That will make the situation even worse in communities such as mine, as they will be less able to provide services. Those communities will lose as much as another £500,000 of grant, which they would have received, had the grant not been top-sliced. We understand that SIGOMA authorities may face cuts of up to £44 million over the next few years.

The new homes bonus scheme, which is also hitting local authorities, is intended to provide resources to encourage new homes to be built. Again, I do not think we will do well out of that. It is not that local authorities such as St Helens and the SIGOMA authorities do not want to provide new homes; but given the devastating effect that the Government's cuts will have in our areas, I do not think there will be much of a market for building new homes. Where we have real deprivation in our housing, we will have fewer resources with which to provide homes for our constituents.

Simon Danczuk (Rochdale) (Lab): I thank my hon. Friend for securing the debate. He is absolutely right about housing, for which there is a great demand in Rochdale. Another problem with the cuts being inflicted is that local authorities are cutting the money they give to local charities that support homelessness services. Petrus community trust and the Sanctuary trust in my constituency are losing thousands of pounds as a result of the cuts, and now cannot even provide for homeless people. It is vulnerable groups in deprived communities who are feeling the effects.

Mr Watts: Most local councils and MPs will know that the voluntary sector is very much supported by local government. It cannot exist without funding and support from local government. I worry that not only will we have cuts in council services, but the voluntary sector will be hit as a result. I fear for the safety net of services that are now provided by the voluntary sector, but which will disappear if the cuts are made.

What are we trying to get from today's debate? We would like an assurance from the Minister that any further cuts will be fair, that more help will be given to the most deprived parts of the country, rather than less, and that any cuts will be transparent so that it can be easily understood how the Government are making the changes to ensure that those in the most deprived communities get the most support. We would like an

assurance that any cuts that are introduced will take into account the cuts that are already disadvantaging us. Any future cuts we face should take into account the fact that we have lost more than anyone else.

Derek Twigg (Halton) (Lab): I congratulate my hon. Friend on securing the debate and on his excellent speech, in which he is trying to be fair to the Government. Halton, which has one of the most outstanding councils in the country, has already had £1.2 million cut from its education budget, compared with £600,000 from Cheshire East and Cheshire West, which are more affluent boroughs. It has lost massively and disproportionately as a result of the cancellation of the Building Schools for the Future programme and the education maintenance allowance cut, which has also hit other deprived communities. Given their track record, how can we expect the Government to be fair to deprived communities such as Halton, St. Helens, Knowsley and others? The Government somehow believe that a 28% average cut will not hit the most vulnerable.

Mr Watts: My hon. Friend has made an excellent contribution. Our concern is not just about cuts in local government services, because we have already had cuts right across the board and face even bigger cuts in welfare. As the "Hard Times" document demonstrates, many of our communities are not in a position to fight back and will go to the wall. We are throwing those communities into abject poverty, which will have serious implications for our communities and the country as a whole.

I advise the Minister, before those draconian cuts are made, to take into account all the losses of grant that are taking place. A substantial amount of money is already being taken out of the local economy, which is having an impact on the private sector in our communities. Many of the shops, retailers and suppliers already face major problems. I spoke recently to a gentleman in the construction industry who told me that all his orders have now run out and that within six months he would be laying off hundreds of workers as a consequence. The economy cannot generate itself; it needs the support of the Government. That is why all our previous policies took into account deprivation and the need to spend.

What do we want? We certainly want any changes that are made to take into account the tax base and the ability of local government to raise money. We have already seen some scandals, such as the fact that Westminster council's ability to raise millions of pounds every year from car parking charges is just ignored and not taken into account, which allows it to provide good services at a low cost to local taxpayers. It is a scandal that that has been allowed to continue for many years. I hope that when the Minister is looking at any change, he takes into account that some very wealthy councils are in a much better position than my authority and the SIGOMA authorities to deal with the levels of cuts that we have seen.

Barbara Keeley: Yesterday the Chancellor was optimistic about the recovery. So would my hon. Friend, like me, like DCLG Ministers to approach the Treasury about re-phasing the cuts to local government budgets, so that they will not be so front-loaded? That would help.

Mr Watts: As I understand it, most—in fact, all—local authorities believe that the way the Government have front-loaded cuts is wrong and does not give them time to adjust their budgets. The Government could have switched it round and had the most severe cuts in the latter part of the period. We know why they are doing this: frankly, we are seeing all sorts of political shenanigans going on because they want to make all these draconian cuts now, so they can have some tax cuts in the run-up to the general election. That is a short-term view, given the problems that will be created. The Government's view of the economy as a whole is very optimistic, and what we fear will happen with local council spending will shove most of our economy into recession, if not depression. There are areas around the country that may take 50 years to recover from the cuts that are on their way—places such as Barnsley and some of the north-east councils. They will have a dramatic effect for a very long time.

I hope the Minister will take those things into account when he responds. I hope he can give us some assurance that, when he makes changes, they will be fair and transparent, will take into account deprivation factors and will put resources where they are most needed; and that he will look at the tax base to ensure that those who can afford to pay a bit more council tax and can afford to receive less grant than they are receiving do not continue to receive higher levels of grant. There was a time when—and I do not think things have changed from when I was council leader many years ago—if we received the sort of income Westminster gets from grants, car parking and all the other things, we could have had no council tax at all and sent every one of our constituents on a holiday to Spain every year. That is the level of fiddle that has gone on with the system, and it needs to come to an end. Fairness needs to be put back into it.

1.52 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to see you in the Chair, Mr Betts, and a pleasure to respond to this important debate initiated by the hon. Member for St Helens North (Mr Watts), to whom I am sure we are all grateful. It is an important topic. It arises at this time of year every time the local government finance settlement is coming up. Inevitably, there are debates in advance of the settlement and, understandably, hon. Members seek to get the Minister to say things about the detail of the settlement. The Minister, regardless of party, says, "You'll have to be a bit more patient because the detail as far as it affects local authorities is set out in the settlement itself, which will be laid before the House shortly". I say that because that is the factual position. I want to respond to some of the matters raised, but I am sure that you, Mr Betts, and hon. Members who have participated in the debate, who are well experienced in local government matters, know that I am not in a position today to set out the individual impacts of the funding settlement on particular local authorities. However, I can make it clear that the provisional settlement will be done in the usual way. It will be announced shortly, and we will provide as much information as we can to enable local authorities to set their budgets.

This debate gives us a chance to look at the overall position. It is a position that arises, first, in relation to the financial situation, but it is actually broader than that. It is unfortunate that the opportunity has not been taken to put what has to be done on local government

[Robert Neill]

finance in the context of the Government's broader agenda of handing more power and flexibility to local authorities. I agree with the hon. Member for St Helens North: the fact is that we need to reduce the deficit. Reductions in spending have to be made, and local government, as a significant part of the public spend, has to play its part. That much is common ground, but we are seeking to reduce spending constructively, and there I have to part company with the hon. Gentleman.

With respect to those on the Opposition Benches who have participated in the debate, there has been almost a competition—dare I say it—to come up with the most overcooked, overheated and exaggerated language possible. Frankly, it does no justice to the seriousness of the subject. Opposition Members have chosen to adopt a regrettable approach. It will make cheap headlines in a press release, but it does not advance the argument.

Barbara Keeley: The Minister must know—and if he does not, he should know—that councils in the north-west are now looking at having to make cuts of £35 million, £40 million and £50 million. If he thinks that that is fair and balanced, we will all be very upset next week. Last night, Stockport council, a Lib-Dem council, announced the cutting of 400 jobs, and the Local Government Association has suggested that the number of job cuts will be 140,000.

Robert Neill: I have seen those figures. I have also seen the SIGOMA document, which I read with interest. I have met SIGOMA representatives and I am happy to continue to do so. I want to take the hon. Lady to task a little. She referred to the reduction in funding for the working neighbourhoods fund. Yes, absolutely right—and who decided to do that? Her Government. The Labour Government made it clear that the working neighbourhoods fund was a three-year fund due to end in March 2011. The previous Government—the Labour Government—were committed before the general election to cutting it, so I am not taking any lectures from anyone on the impacts of that.

Mr Marcus Jones: Will the Minister give way?

Mr Watts: Will the Minister give way?

Robert Neill: I shall make a little progress before I give way. Neither will I take lectures from Opposition Members about the need to reduce the deficit and how we should do it. The simple fact is that, thanks to their Government's policies, about which I have not heard a word of apology, we are paying £120 million a day just to pay off the interest on their debts. That money is lost for ever to council services on the front line. If we carried on down the Opposition's route, the pressure on local authorities would be all the greater because we would be paying up to about £100 million more by the end of the Parliament in debt interest. I am not taking lectures from the Labour party about our attempting to balance the nation's book, when it is its prodigality that has placed local authorities under such pressure.

Mr Watts: The Minister must get off the rant that we hear regularly from the Front Bench. There has been a world recession caused not by the Government, but by banks. At a time when the general public face such draconian cuts, they want to know why the Government have given the bankers a £1 billion tax cut, refuse to act on the bonuses and are now refusing to publish the size of the bonuses that bankers are receiving. The real enemy is not the previous Labour Government. They were faced with a meltdown of financial systems in this country and throughout the world, so it is not good enough for the hon. Gentleman to blame the financial crisis on that Government. As he knows, the crisis is worldwide and it is one that has been caused by the bankers, not the Government.

Robert Neill: That is as discredited an alibi as we hear nowadays, but I credit the hon. Gentleman for his loyalty in still trotting it out.

Council tax payers throughout the country know that their council tax doubled during the 13 years or so of the Labour Government. That was not anything to do with the world crisis. It was to do with mismanagement of the economy and, ironically, the sometimes perverse workings of the system of local government finance which that Government put in place.

Mr Marcus Jones: We are certainly seeing a lot of synthetic rage from Opposition Members. Does my hon. Friend agree that, under the previous Labour Government—and had they formed this Government—local authorities such as Nuneaton and Bedworth and Warwickshire were looking at 20% cuts in Government funding?

Robert Neill: That is entirely right, which is why the rage is synthetic, and why I hope that hon. Members, including Opposition Members, will welcome £650 million of additional money that the Government have put in to support the council tax freeze and which will be embedded in the base budgets of those authorities. I hope that they recognise the steps that we have taken specifically to protect services for the most vulnerable, such as £1 billion of grant funding for social care by 2014-15 within the £2.4 billion that we have rolled into formula grant. By rolling more money into formula grant, we give local authorities more flexibility to reflect their own priorities and demands.

Barbara Keeley: Will the Minister give way?

Robert Neill: I shall make a little more progress. An extra £1 billion of extra funding has gone in through the NHS budget to break down the barriers between health and social care. As I said, we are fully funding the council tax freeze and embedding it into the base. We will make £200 million of capitalisation available in 2011-12 to deal with restructuring costs. Those are positive things.

It being Two o'clock, the sitting was adjourned without Question put.

Westminster Hall

Wednesday 1 December 2010

[MR JAMES GRAY *in the Chair*]

Candour in Health Care

Motion made, and Question proposed, That the sitting be now adjourned.—*(Jeremy Wright.)*

9.30 am

Mr Robert Syms (Poole) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I start with an apology: I cannot possibly do justice in this debate to all those who have suffered as a result of mistakes made by the national health service. I know that a lot of people are paying attention to this debate, and I will do my best to make the case for a duty of candour in health care, particularly a statutory duty. That would be progress.

In the House, if an hon. Member makes a mistake, however outrageous, everybody thinks that it is fair enough as long as they apologise quickly. I want to put forward the arguments for why honesty is the best policy and why it is best to acknowledge that mistakes are made in medicine and in the health service. That is part of the medical process. If people inform relatives, put their hands up and say, "We made a mistake," that is a far better way to proceed than what seems to have happened in the past.

I would like to thank Peter Walsh from Action against Medical Accidents for assisting me as I prepared for this debate. Over the next few weeks, Ministers are due to decide on their preferred option for honouring a commitment to require openness when things go wrong in health care. During the 2010 general election, the Liberal Democrat manifesto stated:

"We will: require hospitals to be open about mistakes, and always tell patients if something has gone wrong."

I do not often quote from the Liberal Democrat manifesto, but it is probably important to do so under current circumstances and the coalition. That pledge was also included in the coalition programme for government:

"We will enable patients to rate hospitals and doctors according to the quality of care they received, and we will require hospitals to be open about mistakes and always tell patients if something has gone wrong."

That has clearly been lifted from the Liberal Democrat manifesto. The White Paper, "Liberating the NHS", stated:

"We will enable patients to rate hospitals and doctors according to the quality of care they received, and we will require hospitals to be open about mistakes and always tell patients if something has gone wrong."

That shows consistency running from the original Liberal Democrat manifesto to the coalition programme for government and the White Paper produced by the Department of Health.

Those commitments have been widely interpreted and welcomed as going some way towards the introduction of a statutory duty of candour in health care. Such a move has been advocated for many years by patient groups and others, including the ex-chief medical officer, Sir Liam Donaldson. Recently, Ministers have made it clear that as well as the possible introduction of an explicit statutory duty of candour, they are also considering not altering or adding to the statutory regulations, but merely issuing new or refreshed guidance to existing regulations contained in the Care Quality Commission (Registration) Regulations 2009.

It is implied that that is more likely to be the favoured option because there is an extreme reluctance to add or alter statutory regulation. I will speak about those two options, with a view to encouraging support for the introduction of a statutory duty of candour. Action against Medical Accidents has campaigned on that matter for a number of years, and representatives from that charity met with a Health Minister to try to put forward their case about the right way to proceed.

Put simply, the situation is unacceptable. It comes as a shock to most people, particularly patients and members of the public, to know that health care organisations are in breach of no rules and will face no sanctions if they cover something up or decide not to inform a patient—or, in the case of a fatality, their relatives—that something went wrong during an operation or health care.

Probably more by accident than design, the current system tolerates cover-ups and denials. People ask how that can happen in a modern, ethical health service, and the vast majority of people would agree that honesty with patients and their relatives is a moral and ethical requirement. There is an abundance of guidance on the issue, and best practice dictates that honesty, or being open, is the only course of action.

We know that there are a million incidents in the national health service each year, about half of which cause some harm. Within those cases, there are many serious incidents, so it is a large problem. When something goes wrong, most people want someone to explain what happened to their relative, mother, father or daughter. In part, such behaviour is part of the professional code for individual doctors and nurses, and is recognised as a central component of an open and fair patient safety culture. However, the failure to be open and honest when things go wrong is not uncommon.

Although many trusts or PCTs do act openly, a significant minority tell patients nothing. Something must be done to provide parents and relatives with a flow of information and an honest approach. Patients and their families are unfairly denied crucial information about what happened during their health care procedure, and they may never learn the truth. If they do, they are often deeply traumatised by the initial dishonest response to something going wrong. It is not unusual to find people who have spent decades campaigning under difficult circumstances to find out what happened to one of their relatives.

If patients suspect that something has gone wrong but have to fight to get the truth, they lose all confidence in the health care system and are more likely to take legal and disciplinary action. The NHS and health care organisations have failed to develop a learning culture and the ability to learn from errors and make things safer. Instead, they have developed a culture of defence or denial; they do not want to see themselves in the newspapers.

The situation in England became even worse when the previous Government introduced the Care Quality Commission (Registration) Regulations 2009, which came

[Mr Robert Syms]

into force in April 2010. That introduced a statutory requirement on health care organisations to report anonymously incidents that caused harm to the national incident reporting system. However, it did not include an equal requirement on the organisation to inform the patient or their relatives.

Therefore, an organisation is not currently in breach of the regulations if it covers up an incident from patients or relatives. It may be bad practice, but there is no real sanction as long as it sends an anonymous report to the system. An organisation will be ticked off if it does not send a report for the purposes of national measurement, but it will not be ticked off it fails to be open and honest with a patient or their relatives. Let me draw the Chamber's attention to a document produced by Action against Medical Accidents entitled "The need for a statutory duty of candour in healthcare." It is a good article for those who want to look at the more detailed requirements involved.

I pay tribute to my constituents, Derek and Joan Bye. As MPs, we deal with many constituents, but Mr and Mrs Bye have had to put up with a horror story following the death of their daughter, Helenor Bye, who died on 27 April 1978 in south Wales. There was a catalogue of medical errors. The parents were lied to, records were altered and their MP, John Morris, then the right hon. Member for Aberavon, held a debate in the House of Commons on 27 November 1979, volume 974, columns 1253-64. He called for a public inquiry, although that was turned down.

The situation was compounded by the fact that body parts were taken from Helenor Bye, some of which have been returned over the years. The last time body parts were received by the parents was in 2005. They have been through the most horrific period because of what happened to their daughter, what happened subsequently and, more importantly, because all along the line they felt that they were being lied to and that people were not being open and honest. Mr and Mrs Bye have become doughty campaigners for a more honest and honourable system of health care. They have also campaigned on their concerns about the drug Epilim. I cannot do justice to that campaign today, but if any journalist wants to know what can go wrong, I advise them to look at the case of Mr and Mrs Bye. They have had a very rough time.

Action against Medical Accidents calls for a change in the law and the introduction of a statutory duty of candour. It is called "Robbie's law" because of the case of Robert Powell, who died on 17 April 1990, aged 10. His parents have campaigned for over 20 years to try and get justice. Similar things happened to them, such as changed medical records, and there was a catalogue of events, but they still do not feel that they have justice. Their campaign has continued under several Secretaries of State. The case is currently with the Welsh Assembly, and Mr and Mrs Powell are waiting to hear whether there will be a public inquiry into what happened to Robbie. Will Powell, who feels passionately about putting right what happened to his son and getting to the truth, has been a doughty campaigner for a long time. I pay tribute to him.

All the people whom we are talking about are, in their own way, fighting for the truth, not only to find out what happened to their loved ones, but so that such things do not happen again to someone else. This debate is about setting out a context and a better way of doing things, so that we have a much more honest and honourable system and families do not have to spend 10, 20 or 30 years going through absolute hell. Mr Bye told me that the start of the healing process is learning the truth and knowing what has happened to one's relative. That is a very important point.

The Government have two options to consider. They can go for an explicit duty or for more guidance. Ministers often go down the guidance route. When the NHS constitution was being debated in the previous Parliament, the then hon. Member for Wyre Forest, Dr Richard Taylor, who served with me on the Health Committee, raised the issue of openness and whether we could go further down that route. He was informed by the then Minister of State, Mike O'Brien, "No, we can do it all through guidance," yet guidance so far has not produced the results that we need.

Department of Health officials met representatives of Action against Medical Accidents and other stakeholders on 16 November 2010, when the two options were discussed in some detail. I shall go through the pros and cons of both. Option 1 is no new statutory duty but refreshed guidance in respect of the existing CQC regulations. The pros of that are that it would require no new legislation or change in the regulations.

Dr John Pugh (Southport) (LD): Is not the difficulty with guidance the fact that guidance is already in place and any other guidance would simply reiterate what it says? Clearly, guidance by itself is not doing the trick in this case.

Mr Syms: The hon. Gentleman makes a very important point, because we have to change the whole culture of the national health service and I am not sure whether guidance will do that.

An argument can be made that the existing CQC regulations, backed up by clearer guidance, could be interpreted as making it a requirement to be open. For example, regulation 17 has been cited. It says that service users should be provided with adequate information and support in relation to their care or treatment. The guidance could clarify that that includes telling them if something has gone wrong. However, one of the cons is that, as the hon. Member for Southport (Dr Pugh) said, that would be in effect no different from the current situation. Such guidance and the existing regulations already existed when the policy to introduce a requirement was agreed. They were clearly not seen as sufficient then.

Given that the Department of Health was of the firm opinion previously that the existing regulations, even with the guidance alongside them, did not constitute a statutory duty to be open with patients when things go wrong—because at that stage they were not supporting a statutory duty—it is hard to see how that could be credible now.

Such a measure would be unlikely to be enforceable. Lawyers would no doubt have a field day if, given the above, the CQC tried to impose sanctions on a trust based on such a tortuous and dubious interpretation when the opportunity to be clear and specific had not been taken. Even if such a measure were enforceable, the CQC would be unlikely to give it a high priority.

given the number of clear statutory obligations already spelt out in the regulations themselves, rather than developed by supporting guidance.

Option 1 would not have anything like the same impact as introducing a specific statutory duty, if it had any impact at all. The Department of Health would be trying to say, "This has always been the case, but we didn't realise it and didn't think it was important enough to make it clear." That option would fail to deliver positive opportunities for sending a clear, unequivocal message about the importance of being open and would fail to support a major culture change. It would not deal with the bizarre situation whereby there has already been, since April 2010, a statutory obligation to report anonymously to the national incident reporting system patient safety incidents that cause harm, but there is no equal requirement to tell the patient or a relative. It would send the message that being open with patients is not important enough to justify a minor amendment to the regulations.

Option 2, which I prefer and think should be given serious consideration by the Government, is to introduce a specific statutory duty by amending the existing CQC registration regulations. That would send a clear, unequivocal message about the importance of being open, which would support and underpin other initiatives to develop a more open and fair culture. It would be enforceable. The CQC has confirmed that it would be practical for it to enforce such a measure. Of course, it would be a condition of registration with the CQC. It would have real impact: boards and management could not escape noticing the change or recognising the need to comply. At the moment, even when doctors or nurses want to be open with patients, sometimes the management of PCTs or of hospitals are less keen. We must send a clear message so that the whole organisation undergoes a major culture change in how it deals with patients.

Option 2 would balance out the existing statutory regulation where it is a statutory obligation to report anonymously patient safety incidents that cause harm but there is no equal requirement to tell the patient or a relative. It would not add to the regulatory burden on health care organisations, and I think that it would enjoy public confidence, which is a very important thing to have in this area. That option would be relatively easy to achieve. The con is that it would require a change in the regulations, so there would possibly be some legislation.

In my opinion, option 2 is the best way to go. It is not something that is supported only by a few oddbods; such a change has the support of many people, including many senior people in the medical profession. I know that there are concerns about compensation and litigation, but the evidence from the United States, where many insurers now do insist on a more honest system, is that when people receive an apology, they are less likely to sue. When they find out what happened to their relative, they accept that mistakes are sometimes made and they are less likely to pursue lengthy and costly legal action.

People are sometimes pushed into legal action by the sense of injustice that they feel when their relative has undergone harm or perhaps died in the course of treatment. They feel a sense of injustice and are then driven to take that action. Of course, many of the costs to the NHS are from the legal fees, not necessarily the money paid out in compensation.

I shall go through a list of some of those who would support a statutory duty of candour. I have already mentioned Sir Liam Donaldson, the ex-chief medical officer, who formally recommended a statutory duty in 2003. Harry Cayton, chair of the Council for Healthcare Regulatory Excellence, has also supported such a duty. The late Claire Rayner, who was a doughty campaigner on behalf of patients, and a former nurse, supported it. Professor Aidan Halligan, the former deputy chief medical officer for England, who is currently chief of safety at Brighton and Sussex University Hospitals NHS Trust, is completely supportive of the proposal. There is also Sir Graeme Catto, the immediate past president of the General Medical Council; Sir Donald Irvine, a past president of the GMC; Sally Taber, director of Independent Healthcare Advisory Services; Cure the NHS; Patient Concern; and Sufferers of Iatrogenic Neglect. There is broad support in the LINks—local involvement networks—organisation for the view that what has been described is an important thing to do.

In recent years, we have become aware of a major disaster at Stafford hospital. It has affected not one or two people, but hundreds of them. Of course, it has been the subject of much debate, many statements in the House and a lot of real concern, but had there been a statutory duty of candour, the management of Stafford hospital would not have been able to get away with the poor standards of treatment and nursing and the fact that many hundreds of people lost their lives. Such a duty is a very important and practical measure, and if the NHS is to mean anything to the people of this country, being open and honest with those who have suffered as a result of what are sometimes unavoidable accidents is the best way to proceed.

There are clear benefits to introducing a statutory duty, and there is an historic opportunity in that regard. I listened to my right hon. Friend the Secretary of State talking over the weekend about more transparency. Introducing such a duty would be a brave step, because all the advice from people in the Department of Health would be, "Careful, Minister. Don't do anything that might have long-term costs."

However, in the modern age—an age of freedom of information, when thousands of documents appear on the internet—it is not unreasonable that a cornerstone of the NHS in this century should be that people are up-front and honest, and tell the truth when something goes wrong. Things inevitably do go wrong—not necessarily deliberately, but simply because that is the way of the world and medical science. People can then understand what has happened to their relatives.

As my constituent Mr Bye said, "The start of the healing process after the loss of a loved one is to know the truth of what happened." It is a very poor thing if Governments cannot tell the truth. One has to acknowledge that truth has not always been the essential component of the NHS that it should be. I propose that the Government give serious consideration to a statutory duty of candour, because that is the best protection for those who use the health service and for higher standards. The best protection is that all of us believe in honesty in public life.

9.50 am

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure to serve under your chairmanship this morning, Mr Gray. I congratulate my hon. Friend the Member

[Tom Brake]

for Poole (Mr Syms) on securing the debate and on lucidly and concisely setting out precisely why the Government should look carefully at a statutory duty of candour. I have not heard any effective arguments against it, but I will come on to some arguments from opponents. My hon. Friend set out why the duty would boost public confidence and he rightly pointed out that an apology—as we have probably all experienced—often, first, helps to secure closure for a family if a loved one has been involved in a tragic accident, and, secondly, can defuse a difficult situation that could end up in the courts for years afterwards. He has rightly set out the reasons why a duty of candour is a necessity.

My hon. Friend started by quoting from the Liberal Democrat manifesto, and I would expect nothing less in the coalition, so there is no need for me, as a Liberal Democrat, to do so. He also mentioned that the proposal has been carried through to the coalition agreement and, subsequently, into the NHS White Paper, which—although it perhaps does not contain a proposal as specific as a duty of candour—certainly makes it clear that hospitals need to be open about mistakes and always tell patients if something has gone wrong. One development to which he did not refer was the fact that legal aid will no longer be available in cases of clinical negligence, which I hope the Minister will pick up on in her response. I wonder whether that will have an impact and whether that strengthens the case for a duty of candour.

As I said in my opening remarks, there are opponents of a duty of candour. A briefing has been sent to Members by the Medical Protection Society, which is a

"leading provider of comprehensive professional indemnity and expert advice to…health professionals around the world."

The briefing states that the society is committed to promoting openness in health care and supports the principle in the NHS White Paper that hospitals should be open about mistakes and always tell patients if something has gone wrong. However, it goes on to say that the MPS strongly believes that a change in culture would be more effective than a statutory duty. However, I agree with Action against Medical Accidents, which also briefed me for the debate. It said that perhaps the MPS is missing the point: it is not a question of a duty of candour or a change in culture, as it is perfectly possible to have both. Indeed, the duty of candour is one way of supporting and underpinning a change of culture, so that health care organisations are always open and honest with patients when things go wrong. The MPS says that it has been advocating that change in culture, and it is true that a number of organisations have been advocating it for the past 50 years or so, but the desired change has not happened. I am not sure how much longer one can wait for it.

There is an issue about guidance and about how seriously organisations take guidance when they are statutorily required to do other things. There is always a risk that guidance gets left aside while organisations focus on statutory duties. As the MPS said, it is correct that there is a professional duty for doctors and nurses to be open with patients in the event of a mistake, but there is a wider issue about there being no statutory duty on all health care organisations to promote and support that practice in their organisations. As my hon. Friend the Member for Poole said, the medical professionals may want to be open but, unfortunately, they are being advised by managers, who are not subject to the same professional codes and perhaps believe that less openness is the best course of action. My hon. Friend referred to the Stafford case, and, as I understand it, it was a legal officer who sought to suppress the doctor's report in that case. When the General Medical Council was asked to confirm how many cases it had brought against a doctor specifically for a breach of this part of its code, it confirmed that it has not brought a case against a single one.

My hon. Friend also referred to the very sad case of Robbie Powell and the sterling efforts that the family have made. I am pleased to see that Mr Powell has joined us here today.

Mr James Gray (in the Chair): Order.

Tom Brake: I am sure that Mr Powell will be listening carefully to what is said and reading the remarks in *Hansard* later. That family have played a major role in bringing this issue to our attention and are working with AvMA to promote what they hope will become Robbie's law.

The MPS has provided information that I think works against its case. Its research shows that, at the moment, a third of doctors are not prepared to be open and honest when an accident occurs. If so many doctors feel constrained from or concerned about being open when an accident has occurred, it supports the case for a culture of candour. The MPS also refers to states in the United States where there is a duty of candour and where it perceives that there may be a difficulty in enforcing the duty. In his remarks, my hon. Friend the Member for Poole made it clear that the Care Quality Commission has confirmed that it could and would enforce a statutory duty, and would be in a position to do so, if that were part of its regulations.

Another issue that the MPS raised, which we need to respond to, is that the proposed duty would not include near misses. It is arguing against the duty of candour, but at the same time saying that it would be a problem if near misses were not included. I understand that there is a general agreement that, although it might the norm for near misses to be reported to the patient, there would be discretion in cases in which reporting a near miss might cause unnecessary harm. There is recognition that the near miss issue needs to be addressed carefully.

One important fact is that, whether it is a duty or a requirement, it must apply to all health care organisations. If there was one thing in the coalition agreement that was slightly remiss, it was the fact that it referred only to hospitals, but there is a wider health body that we need to include. I am sure that the Minister will clarify in her response that the duty of candour, or the requirement, would need to apply not only to the patient but, sadly, if the patient has died as a result of the accident, more widely to include family members. It should not be strictly restricted to the person who had the misfortune of suffering the accident.

Dr Pugh: My hon. Friend mentions hospitals, but does he not accept that there are severe diagnostic failures at primary care level? Failures to refer can seriously imperil life, so they, too, need to be encompassed in the duty of candour.

Tom Brake: I thank my hon. Friend for his intervention, and I entirely agree. A duty of candour must not be restricted simply to hospitals, because, as he rightly says, GPs in primary care and other health care providers regrettably also make mistakes. A duty would need to encompass more than simply hospitals, as was initially proposed in the coalition agreement.

I entirely support the points that my hon. Friend the Member for Poole made in opening the debate. There is strong, overwhelming evidence in support of a duty of candour. Guidance has not done the job, and a duty of candour really would open up the system and make sure that families and those who have suffered are, and know they are, entitled to receive information about an accident. That would make it much easier for them to arrive at closure. Regrettably, under the current system, people must all too often use great energy and perseverance to extract with great difficulty information that they should be entitled to from the outset.

10 am

Dr John Pugh (Southport) (LD): I thank the hon. Member for Poole (Mr Syms) for introducing this important and timely debate and for putting the Government's dilemma so succinctly and accurately. I also pay tribute to my hon. Friend the Member for Carshalton and Wallington (Tom Brake), who has done as much as anybody in this place to raise the issues of a duty of candour and patient rights.

I do not know whether anybody caught Ian Hislop's programme about do-gooders on the BBC this week, but in it he described the creation of the journal *The Lancet*. It was set up by a young doctor, who, among other things, wished to expose some of the deficiencies in the appalling surgical practices at that time. He was greeted with wholesale acrimony from much of the medical profession and he was successfully sued. That shows that there is resistance in most businesses and professions to acknowledging error.

In an excellent book published some time ago, the sociologist Erving Goffman suggested that people in all organisations—whether in health, business, teaching or policing—have a vested interest in supporting their colleagues, playing as part of a team and working together to minimise the reputational loss that their organisation can suffer. He analysed in particular detail how that can happen in health services right across the world, although it must be said that such things do not always happen for bad reasons. People have duties of loyalty to colleagues and a genuine concern for the organisation to which they belong—for its reputation and, where admitting to errors might seriously imperil it, for its very survival.

People inside organisations often recognise that mistakes will happen in their organisations. I have worked in the teaching profession all my life, and I have not always been very overt about my colleagues' deficiencies, even when that sometimes has involved people suffering from alcoholic intoxication when they should not. There are therefore circumstances in which people cover up. There is also probably a belief in many organisations that the internal resolution of problems is the best way to proceed.

However, there is a huge downside: confidence is eroded by simply taking such a path. Worse still, false confidence persists; in other words, there are palpable and demonstrable errors in organisations, but nobody finds out about them until it is too late. Errors remain uncorrected, and poor performance is undeterred or, in some cases, it worsens.

That is where the duty of candour fits in, because it will, on a voluntary or simply a request basis, lessen the problems. There is an enormous amount of evidence not only that patients want the NHS to be candid with them, but that the NHS finds it hard to be candid. The Department of Health itself spoke of a culture of denial in the NHS—denial about error and, more seriously, about negligence.

No one believes that things will necessarily improve if nothing is done. No willing provider entering the frame will find it easier to be more candid than NHS organisations; in fact, they might have other motives for covering up. They might be answerable to others apart from members of the public, such as shareholders and the like. There is therefore a genuine concern to get things right.

Every Member of the House of Commons has probably come across a case, or several cases, where they feel that things have gone badly wrong. In my intervention on my hon. Friend the Member for Carshalton and Wallington, I mentioned primary care. A young man in my constituency—he was a relative of a friend of my daughter's—went to his GP five times to complain of listlessness, a lack of energy and so on. He was brushed off with suggestions that he needed more rest and less stress. He was told that he perhaps had glandular fever, but no blood test was done. Eventually, when one was done, it was discovered that he had late-stage leukaemia. My children attended his funeral. That clearly was a failing.

I am also familiar with the ongoing case in my constituency of a TV soap star with a disabling condition that was brought on by receiving the wrong diagnosis and the wrong treatment. Similarly, I had the long-running case of a lorry driver with severe hypertension who was prescribed Viagra for other complaints, even though Viagra increases blood pressure. The thought of a lorry driver being prescribed a drug that can imperil not only him but members of the public is quite disturbing.

A woman in my constituency was falsely diagnosed with cancer and treated for it until, on the spur of the moment, she decided to request a check of the X-rays. Staff then found that the X-rays that they had been using, and which they had assumed were correct, were those of another person. That woman had spent a year in absolutely harrowing circumstances. More disturbingly, we do not know whose X-rays were assigned to her. Presumably, that person was not given the treatment that this woman was wrongly given.

Each of those cases leads to a prolonged complaints procedure, involving the ombudsman and the Care Quality Commission. In other cases, as other Members have indicated, there have been accusations that records have been altered. The whole process is inordinately cumbersome and difficult. To some extent, it exists because there is no candour where candour would probably be the solution.

On top of that, there are the systemic failures—the Mid Staffordshires, the Bristol heart babies and so on. To be fair, the Government recognise that this all comes with the territory of running the modern health service, and they are, to some extent, endeavouring to deal with

[Dr John Pugh]

the problems. Lots of things are going on, and we all want to applaud and support what the Government are doing on quite a few issues. We also applaud the previous Government for having initiated some of these things.

Incident reporting has got better, which is wholly desirable. Complaints are monitored, which is good and a move wholly in the right direction. There is more intensive recommending of procedures. The NHS is more of a learning body than it ever used to be; good practice is disseminated, while bad practice is identified and controlled. There is a general beefing-up across the piece of NHS guidance—particularly to the secondary care sector—about things not to do, things that will help and things that will avoid mishap.

Right across the profession, there is a constant stressing of professional ethics, as spelt out by the General Medical Council or whoever. In the past few days, we have had the phenomenon of publicising outcomes, with efforts by Dr Foster and, presumably, the Department of Health to see that outcomes are properly tracked.

Mr Syms: It is interesting that it is sometimes non-NHS organisations such as Dr Foster, rather than the NHS itself, that put their finger on the things that go wrong. The NHS is a wonderful organisation generally, but most of my constituents would be surprised that there is not a duty of candour already. One reason why we have not got one is that we find out that we do not only when we actually have a problem.

Dr Pugh: Dr Foster is probably doing what the Government will eventually get around to doing, and it will presumably prompt the Government to do that more expeditiously.

In some cases, private organisations may find it slightly easier than the Department of Health to progress such matters, but a lot of internal consultations and procedures will need to take place. Such organisations do not need to be answerable for how they treat the bodies within the NHS. A recent key development is the Government's willingness to ensure immunity for whistleblowers, and to encourage whistleblowing when appropriate. That is a good thing, but there is evidence that whistleblowers still take genuine risks. For instance, they may not be sacked or redeployed, but they may experience difficulties getting employment elsewhere in the health service. I know of cases in which genuine whistleblowers have regretted the professional outcome that has resulted.

Such Government measures are self-evidently to the good, but they are not the same, equivalent to or a substitute for a duty of candour. Frankly, not all errors will be reported and not all complaints will get bottomed out. As others have said, guidance is ignored, professional ethics can be flexibly interpreted, and outcomes, whether published by Dr Foster or others, often come too late or are too general for individual cases. As I pointed out, although whistleblowers may have temporary immunity, that may not last. The Department of Health spoke of a culture of denial; but if such a culture exists, it needs to deal with it.

The argument against a statutory duty of candour—that, in a sense, the simple duty to be open with patients or relatives when requested is otiose or redundant—is not sustainable. It cannot be used as a genuine reason for Government reticence or hesitation. I therefore ask why the Government are hesitating when they are going ahead with so much else. A duty of candour is a disincentive to cover up, and it takes away the risk for whistleblowers.

Statutory duties are important. I give a parallel example. Local authority reporting officers, usually directors of finance, have the job of identifying when a council is spending money in a reckless and improvident way. They have always been in that position, but prior to there being a statutory duty to show the council the red card they were often bullied by the political establishment. As a result, they unwillingly had to consent to the deployment of council resources in ways that were reckless. Without a statutory duty, the same sort of thing can happen in health institutions. People can be put under a lot of pressure, and unless they can say, "But I have the statutory duty to report this," they will find themselves in appreciable difficulties.

If we all believe in transparency—and we do at the moment—the duty of candour must be part of it. It keeps patients informed of their genuine situation. It is entirely in line with what the Secretary of State says again and again—it is a good quote, which I paraphrase, about no action being done to me without my consent. That is the gist of what he says. Why, then, do we hesitate, given the coalition agreement? The Liberal Democrats are clearly on board, and many Conservative Members genuinely support it. Indeed, the coalition agreement is emphatic.

I have the perception that somewhere in the background in the Department of Health the voice of Sir Humphrey can be heard. Just as the Minister is about to initiate a statutory instrument on the subject, someone in the civil service—I do not accuse the permanent secretary—says, "That is a very brave decision, Minister." The Minister is thus persuaded that his decision may not be as positive as appeared at first sight.

If one thinks about it, a candid admission of error or, worse still, of negligence is intrinsically damaging and potentially expensive. I have seen stats suggesting that the potential damage to the NHS, if every person who had a complaint pursued it legally to the nth degree, might be a bill of something like £10 billion. That is half of the internal savings that the NHS needs to make.

However, the stats also show that litigation costs against the NHS are far less than that. The unnerving feeling inside the Department of Health is that if it goes for a statutory duty—I believe that it should—that picture might change dramatically, as the number of complaints that end up in successful and expensive litigation mushrooms.

Tom Brake: Does my hon. Friend agree that, because the information is now in the public domain, another consequence might be that the number of accidents will reduce because people will take the necessary action to ensure that such things do not happen?

Dr Pugh: One sincerely hopes so. I was a member of the Committee that considered the NHS Redress Act 2006, which I believe is not yet in force. The sort of thinking suggested by my hon. Friend was behind that Act, but the same forces that are delaying the duty of candour are probably responsible for delaying its implementation. I cannot recall there being much dissent

among the parties as to the merits of that legislation. The idea was that complaint costs would reduce if we had an open policy of admitting errors, patients surrendering none of their legal rights but simply being given the apology and the explanation that they wanted.

As the hon. Member for Poole said, people who wish to pursue a complaint against the NHS if they believe that their treatment has gone wrong are not looking for money. They are looking not only for an explanation and an apology; they are looking for an assurance that whatever happened to them or their relative will not happen to others.

Prior to the NHS Redress Act 2006, we looked hard at the costs of litigation in the NHS. Yes, it cost the NHS a lot of money; and, yes, something could have been done to reduce it. The really depressing thing, however, was that the bulk of the money went into the lawyers' pockets on either side. The NHS is not about helping to boost lawyers' profits.

The 2006 Act seemed to offer an alternative to litigation, which everyone would support, but the nagging fear in the Department of Health was that it would become a platform for litigation—that if someone admitted a fault it might be a sound basis for taking legal action. Are those fears well grounded? I believe that we do not precisely know, but we all have our own feelings on the subject. People cite the Michigan case in the United States, where they went outright for a duty of candour, and litigation costs to the health service have declined.

The duty of candour is not something that can be piloted, and once it has been done one cannot withdraw it. To go ahead with it is almost an act of faith. I am very keen on the concept of evidence-led policy, but I see evidence-led policy debates taking place in the Department of Health. If we go ahead with a statutory duty of candour—and I firmly believe that we should—it will be a statement about what sort of NHS we want.

I conclude by quoting Sir Liam Donaldson, the former chief medical officer for England. He said,

"To err is human, to cover up is unforgivable".

Regardless of the risks, I doubt whether the Government want to do what is unforgivable.

10.19 am

Liz Kendall (Leicester West) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. Every 36 hours, NHS services are used by some 1 million people, the vast majority of whom receive safe and effective care. None the less, as in every other health care system in the world, not all care in the NHS is as safe as it could be, and too many patients are harmed by it, sometimes seriously and even fatally.

Modern health services are delivered in a highly complex, often pressurised, environment, and involve the care of many vulnerable and seriously ill patients. More than any other environment in which risks occur, health care is reliant on people taking difficult decisions that rely on judgments that are not always straightforward or clear cut. In such circumstances, things can and do go wrong. Sometimes, as I know from my own experience, the consequences can be very serious for the patient, their family and their carers.

Patients and their families have a right to know if something has gone wrong, to get an explanation of what has happened and to receive an apology and, if appropriate, compensation. As hon. Members have mentioned, it is also vital that professionals and NHS organisations learn lessons from mistakes to improve care for patients and, wherever possible, to save taxpayers' money by reducing the cost to the NHS from clinical negligence claims.

During the past decade, important progress has been made on improving patient safety in the NHS. Last year, the Health Committee's report on patient safety acknowledged that the previous Government became one of the first in the world to make it a priority to address patient safety across the whole health care system. A unified system for reporting incidents and learning from them was introduced, and it was centred on the national reporting and learning system and the National Patient Safety Agency. The creation of this system was, in a large part, down to the pioneering work of Sir Liam Donaldson, and I should like to pay tribute to him for his work on this vital issue.

Since the establishment of the data reporting system, the number of reported incidents has increased significantly, which is a good thing. At the last count, more than 3 million incidents had been reported, ranging from very minor incidents to the more serious ones. The NPSA has worked hard to improve patient safety, both nationally and within individual NHS trusts. I personally experienced such work when I was director of the Ambulance Service Network at the NHS Confederation. We set up a programme of work, with patient safety leads in ambulance service trusts, front-line paramedics, PCT commissioners of ambulance services and the NPSA to identify the particular areas of care where mistakes were being made—it is often in the handover period—and to share best practice to prevent such mistakes.

I question some of the comments that have been made this morning about managers wanting to cover up problems. In my experience, both managers and professionals have difficulties in blowing the whistle on their colleagues. I just want to put it on the record that the ones that I have worked with have wanted to be open and to learn the lessons.

My experience has shown me that the NHS needs to do more to improve patient safety. As identified by the Health Committee's report and Ara Darzi's next stage review, there is still huge under-reporting across the system, because, as hon. Members have said, there is too often a "blame culture" in the NHS.

I agree with the hon. Member for Carshalton and Wallington (Tom Brake) that this is not just an issue about hospitals. Primary care, which accounts for 95% of patient contacts with the NHS, accounts for only 0.25% of reported incidents. Although substantial progress has been made, patient safety is still not always a top priority for NHS boards. Most importantly, patients still too often feel that the NHS is not genuinely open and honest with them when a mistake is made.

In 2005, the National Audit Office's 2005 report, "A safer place for patients" found that only 25% of NHS trusts routinely inform patients when an incident has taken place, and an astonishing 6% admit to never informing patients. Like other hon. Members, I have seen such practice in my own constituency. Patients feel that mistakes are not promptly or openly admitted to and they have to battle the system to—in the words of

[Liz Kendall]

the hon. Member for Poole (Mr Syms)—"get at the truth", which, so often, is the start of the healing process.

Last week, I went to a meeting at the University Hospitals Leicester NHS Trust with two of my constituents, Mr and Mrs Harkisan-Hall, who lost their son in the hospital's neo-natal unit. It was only at the coroner's inquiry that they found out that the two qualified nurses on the unit were both on a break at the same time, leaving a nursery nurse in charge of very vulnerable children. They felt that they had to battle to get that information, and they still have not seen the full reports of what the staff said. Like them, I believe that that is unacceptable.

Mr Syms: The hon. Lady makes a good point. One point that I meant to make was that if people do not hear what has happened, coroners can find it difficult to determine how someone has died. If people are not honest about what has happened to a particular individual, coroners do not have the full information.

Liz Kendall: In this particular case, interviews were conducted with the two qualified nurses. The trust did not read both transcripts together and did not see that both nurses were on a break at the same time. People are astonished that such simple things happen, and it is vital that we learn from this process.

Before I go on to talk about the duty of candour, I want to discuss two concerns about the Government's policy in relation to patient safety. It is important that hon. Members do not look just at the duty of candour in isolation from what is going on in the rest of the NHS, including on patient safety. My first concern is the Department of Health's decision to abolish the National Patient Safety Agency and to move responsibility for this issue to the new national NHS Commissioning Board. There are real concerns about whether the board will have the necessary skills, experience and time to focus on such a vital issue when it will also be responsible for setting NHS outcomes, assessing whether GP consortiums are delivering on those outcomes, commissioning a whole range of specialist services and managing contracts for all primary medical services. That is a huge agenda for any board, even without adding responsibility for patient safety.

Will the Minister tell us what resources and how many staff from the NPSA will be transferred to the NHS Commissioning Board? Which NPSA activities will the board take on? For example, will NPSA continue to publish patient safety alerts and bulletins and other guidance to identify key problems and help spread best practice? Will it also run workshops with leads for patient safety in individual providers, such as those I was involved with in the Ambulance Service Network? Will the national Patient Safety First Campaign, which was launched last year, and the annual patient safety week, which was held early this month, have the staff and resources to continue?

My second concern relates to the Government's reorganisation of the NHS and fact that the service needs to make efficiency savings worth some £20 billion over the next three years, as the NHS chief executive said. The first report on adverse incidents in the NHS was drawn up by Sir Liam Donaldson in 2000. Its key recommendation was that the NHS must be open and honest and learn from its experiences. To do that, the NHS must become, as the report's title suggests, "An organisation with a memory". But the Government plan to abolish many of the very organisations that have worked hard to build this memory and understanding of how to improve patient safety.

If the NHS has to make efficiency savings worth some £20 billion, there will inevitably be job losses and posts frozen, some of which could include those staff who have worked hard to learn lessons from the mistakes that have been made in the NHS. How will the Minister ensure that the NHS retains its "memory" on patient safety when PCTs and strategic health authorities are being abolished, new GP consortiums are being established, community services are being transferred to different providers and staff posts are being frozen and reduced? In particular, what steps has she taken to ensure that managers and front-line staff who have knowledge and expertise in patient safety are retained in the NHS at a time when the Government want to cut management costs by 45% and make efficiency savings of £20 billion?

Finally, I want to talk about the duty of candour. As hon. Members have said, the introduction of a statutory duty of candour was first recommended by Sir Liam Donaldson in his 2003 report, "Making Amends". I agree with hon. Members that there is a strong case to look again at this issue, as a Health Committee report recommended in 2009.

I think that it was the hon. Member for Carshalton and Wallington who said that too often the debate is split between those who want a statutory duty of candour and those who think the NHS should instead focus on creating a culture of candour. Of course, changing the practice of individual staff and organisations does not require legislation, but I think that we can see from existing laws, such as those that helped to reduce drink-driving, those that introduced the smoking ban and others, that legislation often plays a vital role in changing culture and behaviour.

Some professional bodies are concerned that a duty of candour would make it less likely that incidents would be reported. I am not convinced that that would be the case, particularly if the duty is combined with an

> "exemption from disciplinary action for those reporting adverse events or medical errors—except where there is a criminal offence or where it would not be safe for the professional to continue to treat patients".

That was the recommendation of Sir Liam Donaldson back in 2003.

Others question whether a statutory duty could be imposed when it might be difficult to specify or enforce sanctions. That concern has not prevented other parts of the world from introducing legal duties, including some US states, Sweden, France and Denmark. It is also worth noting that the Equality Act 2010, which was introduced by the last Government, imposes a number of legal duties on public bodies to consider the impact of their policies and decisions on different groups, without specifying what the sanctions will be if those duties are not complied with.

The final argument against a statutory duty of candour is that patients might end up trusting professionals less, because they have to report a mistake rather than

because they want to. I think that the far greater risk for doctor-patient trust is the perception, and too often the reality, that professionals do not tell patients when things go wrong. I know that if a mistake was made in my own care, or in the care of one of my family or friends, I would want to know—and indeed I believe that I have the right to know.

To conclude, I think that the NHS has made important progress on improving patient safety and it has started to try to change its culture, to become more open and honest. However, the evidence shows and hon. Members have clearly demonstrated in this debate that the NHS is still not as open as it should be, not only with its own staff, but—crucially—with patients. The abolition of the NPSA, the huge reorganisation that the NHS is about to undergo and the future cuts in numbers of staff actually make a stronger case for having a duty of candour in place.

The White Paper, "Liberating the NHS", says that the Government will

"require hospitals to be open about mistakes and always tell the patient when something has gone wrong".

It also says that that requirement will be implemented by summer 2011. So I just want to ask the Minister to clarify whether the Government are therefore proposing a statutory duty of candour? Also, will she now agree to bring together patient groups, professional bodies, experts on the duty of candour in this country and abroad, as well as those who represent NHS trusts—such as the NHS Confederation—to discuss how we can all best move forward on this vital issue?

10.34 am

The Parliamentary Under-Secretary of State for Health (Anne Milton): It is a pleasure to serve under your chairmanship for the first time Mr Gray congratulate my hon. Friend the Member for Poole (Mr Syms) on securing this debate. As Chairman of the Regulatory Reform Committee, he is no doubt acutely aware of some of the issues that exist around regulation, not least those that exist around the duty of candour. His humility and recognition of the impossible task that we face here today—to truly reflect the pain and suffering of those who have suffered as a result of medical harm—does him considerable credit.

We take candour and openness in the NHS extremely seriously. Everybody does, because it is a vital issue. As anyone who has ever been treated knows, a health care system is not just about how quickly someone is seen or how quickly their stitches come out; it is also about trust. Trust is fundamental—between patients, the patient's family and health care professionals—and we must do everything we can to ensure that that trust is upheld.

As my hon. Friend may be aware, one of the early references to a statutory "duty of candour" was included in "Making Amends", a 2003 report, which I know hon. Members have referred to. It was a consultation paper from the then chief medical officer, Liam Donaldson, and it set out proposals for reforming the approach to clinical negligence in the NHS, suggesting

"a duty of candour requiring clinicians and health service managers to inform patients about actions which have resulted in harm".

The paper also proposed to foster an environment of openness and honesty among all NHS staff; it encouraged "integrity", which is a word that we perhaps do not use often enough, and it proposed exempting those who report adverse events or medical errors from disciplinary action, unless there are serious extenuating circumstances. It is a key belief of the coalition, and I would hope all Members of the House, that the focus should be on the performance of the organisation rather than on penalising individuals who bring matters of concern out into the open. The hon. Member for Southport (Dr Pugh) has already mentioned whistleblowing. I think that the point is that this debate is not necessarily about the protection of whistleblowers or a right to whistleblow; it is perhaps about a duty to whistleblow.

It is important to note the good work that is currently being done to promote candour. The previous Government should be congratulated for providing staff with advice and support to help them to communicate with patients, their families and carers following harmful incidents. The Health Act 2009 requires all NHS organisations to be aware of the NHS constitution, which places a duty on NHS staff to acknowledge mistakes, apologise for them, explain what happened and put things right. The professional codes of practice for doctors and nurses contain a similar duty.

As somebody who trained as a nurse and worked in the NHS for 25 years, I think that professional codes of practice and professional standards are not talked about often enough. We look for someone to blame: we look for the organisation to blame; we look for the board to blame, and we look for the chief executive to blame. What we do not talk about is individual professional standards and I feel particularly strongly that we need to do everything that we can to raise those standards right up.

The National Patient Safety Agency has been running its own campaign to promote candour in the NHS, as the hon. Member for Leicester West (Liz Kendall) said. That campaign, entitled "Being Open", is a long-term process rather than a short-term push. It encourages the provision of verbal and written apologies to patients, their families and carers; it promotes continual communication with those involved in incidents, and it requires thorough record-keeping of all "Being Open" discussions and documents.

However, we all know that still more needs to be done, as hon. Members have said and as I know myself from my own constituency casework; I have a number of people who have continually fought to try to get the truth about what happened to their relatives. The recent White Paper, "Liberating the NHS", states that

"we will require hospitals to be open about mistakes, and always tell patients if something has gone wrong".

It is quite simple: we expect the NHS to admit to errors; apologise to those affected, and ensure that lessons are learned to prevent errors from being repeated.

In one year, the NPSA receives notification of more than one million incidents. Most of those incidents result in no harm and we welcome the high level of reporting. However, the incidents that result in harm obviously cause distress and anguish for the patients and families involved. In those cases, it is even more important that the lessons are learned and that organisations are open with those who have been affected.

Dr Pugh: I want to ask about the future of the NPSA. If it is going to be brought within the national commissioning body, will a Chinese wall be established

[Dr Pugh]

between the NPSA and the other operations of that body? It crosses my mind that risks can allegedly be increased or decreased by commissioning decisions themselves.

Under those circumstances, the NPSA has got to be free to impute itself, as it were, if the national commissioning body is going to be part and parcel of the same organisation. So, can the Minister assure me that there will be no conflict of interest when the NPSA is placed within the national commissioning body, which may itself—through its commissioning procedures—be one of the risk factors?

Anne Milton: The hon. Gentleman is absolutely right. That is terribly important. It is not only important to have Chinese walls and be seen to be separate; it is important to be separate. I will come to that point in detail in a minute.

Measuring openness is not as straightforward as measuring reporting. We welcome high levels of reporting, as they are an indicator of an open and supportive culture of patient safety, but there are still reasons why people within the NHS and organisations shy away from openness. Without a doubt, professionals who strive for excellence are reluctant to admit errors. The higher up the tree one is, the harder it is to say, "I've made a mistake." All of us face that issue in our professional lives.

People may have unfounded concerns about possible admissions of liability, even though apologising when something has gone wrong is not in any way an admission of liability. The fine line between the two sometimes prevents people from saying what relatives want to hear: "I am so sorry this happened." That is not necessarily saying, "I have made a mistake." It is such a shame when professionals resort to a defensive stance, often encouraged by myths about where liability lies. Also, at times, they may fear reprisal, blame and even bullying.

We are considering options for introducing a requirement for openness and will make a decision in due course. The hon. Member for Southport felt that we were hesitating, and was concerned about possible evidence of Sir Humphreys in the Department. We are considering, not hesitating. It is important to get it right. Members have discussed the three options, but I will run through them quickly and mention a few relevant issues.

The first option is using what is in the existing Care Quality Commission registration requirement regulations. It is already mandatory for NHS trusts to report all serious patient safety incidents. We could also require organisations to demonstrate that they have met the openness requirement, which would not require new legislation. It makes sense to use existing means to detect and investigate trusts that are not as open as they should be. The counterargument is that that approach is not specific enough, and that the wording of the guidance would need to be made more explicit. We have seen many cases in which guidance has failed.

The second option involves introducing a new legal, statutory duty of openness explicit within the CQC regulations. That would send a clear signal about the importance of openness and provide patients and campaigners with a single clear duty that they could use to demand full disclosure. However, the Government want to create new legislation only when absolutely necessary, although when necessary, it should be done. We would need to ensure that any new legislation or new approach was not counter-productive. We want to make it easier for staff to come forward; we do not want new legislation to have unintended consequences.

The third option involves incorporating an openness requirement into the new NHS contractual, performance and commissioning processes, to which the hon. Members for Leicester West and for Southport referred. It certainly appears possible to pursue openness through the new commissioning arrangements. For instance, it could be written into standard NHS commissioning board requirements that providers commit to being open. The hon. Member for Leicester West asked whether the NHS commissioning board would have time to take a role on patient safety. In many ways, safety underpins all commissioning decisions. Any decision on any service commissioned should have safety wrapped around it. That is fundamental.

As with any complex matter, each of the options has its pros and cons. It is imperative that a decision on the issue is not rushed. I reassure the hon. Lady that campaigners and organisations have good access to officials within the Department, and I am sure that all their views will have been taken into account when a decision is made, because we are aware of the importance of getting it right. It is terrible to think that the first duty of the NHS is to do no harm. Safety wraps around everything that we do.

The hon. Lady also mentioned the decision to abolish strategic health authorities. I understand that SHAs are the performance managers of trusts, yet that did not help in Staffordshire. In many ways, bringing commissioning decisions closer to the patient within general practice will mean that decisions about care and its consequences rest where they should.

Liz Kendall: The Minister raises the important issue of Stafford and the lessons to be learned there, and says that the SHA did not take action. Obviously, we will wait for the outcome of the independent inquiry, but as responsibility will move to GP commissioning consortiums, can she tell us whether any of the GPs in the area raised concerns about Stafford, or whether any of them have submitted evidence to the inquiry? I am not aware that they have.

Anne Milton: I did not point a finger at the SHA; I pointed out that SHAs were performance managers. Where performance fails, one must ask oneself what was happening in the management of that performance that it could fail so abysmally. The hon. Lady must not forget that the GP consortiums will involve a much wider range of professionals in commissioning decisions than just GPs, including a lot of people involved in care. They will not necessarily consist only of NHS professionals. Voluntary bodies and other organisations that provide care will also have input.

The sad truth is that when things go wrong, relatives want to know what happened, as my hon. Friend the Member for Poole pointed out, but they do not always find out. They want the truth and honesty, but we often see precisely the opposite. Doors close, the shutters go down and NHS organisations resort to a defensive stance, sometimes quite aggressively. My hon. Friend

mentioned his constituents the Byes and the Powells, who have campaigned endlessly for the truth and continue to campaign. I pay tribute to all the people, some of whom we do not know about, who use their own tragic circumstances to ensure that the same thing does not happen to others. Their efforts should never be underestimated.

Tom Brake: The Minister said that the NHS sometimes adopts an aggressive stance. I remind her of my question to her about the possible impact of withdrawing legal aid in clinical negligence cases. Often, families use such cases as a way of trying to secure an apology because one has not been forthcoming. If that option is not available to them, it reinforces the need for a duty of candour.

Anne Milton: The hon. Gentleman pre-empts me by a second; I was about to come to legal aid. My experience is that even with legal aid, the courts are rarely an option for most people. Allowing discretion on the reporting of near misses would, I fear, open another minefield beyond which people could hide, as he also mentioned.

I have certainly brokered meetings between NHS organisations and my constituents to try to bring them together and make the NHS organisations stop feeling so defensive. I have been an advocate for people in my constituency just so they could hear what happened. I should think that many hon. Members rely on personal relationships, particularly within hospital trusts, for such purposes. Maybe they know a supportive medical director to whom they can say, "Look, this family, this couple or these relatives just want to know what happened; this isn't going to go anywhere." That is a leap of faith. The NHS organisation has to say, "Fair enough." When that happens, closure can follow.

The hon. Member for Southport rightly pointed out that accidents occur across the NHS and mentioned, in particular, the failure to diagnose in general practice. That is an ongoing, rumbling issue that I hear about not only as a constituency MP, but as a Minister. I thank him for recognising that the solution to getting to a situation where we have effective measures in place to ensure candour is a dilemma. It is not an easy decision. He is also right to point out that the NHS is not alone in protecting itself. My goodness me, we know a lot of professions that close their doors when one of their members is under attack—the legal profession is one. People just want the truth, but sadly the shutters go down and the doors close, and closure cannot be achieved.

Mr Syms: I am pleased with the way the Minister is responding to the debate and recognise that a statutory duty of candour is one of a range of measures that the Government are considering. However, if they decide not to take that route initially, it is important that they do not rule it out, because the culture change that is needed might not come about as a result of what they are doing, but we will still need to get there at some point. I still think that a statutory duty of candour would be the biggest and most successful leap towards that goal—the hon. Member for Carshalton and Wallington made a good point on that—but even if the Government choose not to go there, they should not rule it out, because I think that ultimately that is where we will end up.

Anne Milton: I thank my hon. Friend for his intervention and am sure that the report of this debate will aid people in making their decisions on the matter.

On the point raised by the hon. Member for Carshalton and Wallington on legal aid, I understand that the Ministry of Justice proposal on restructuring and refocusing the scope of legal aid is currently out for consultation. There will still be an exceptional funding route for those not eligible for legal aid, but he might want to raise that specific point with the MOJ because it is important. The hon. Member for Southport rightly picked up on the fact that we included in the White Paper the principle of "No decision about me, without me", and that probably needs to be extended to situations where harm happens.

A few Members mentioned international precedents, but we must be slightly careful, because what happens abroad cannot necessarily be transported to this country. Those precedents tell us that there can be problems in adopting a statutory duty of candour. It can be difficult to measure success and, therefore, find any evidence of where success or failure has occurred. We must also be mindful of the differing health care and legislative environments that exist around the world when looking at international examples. In Pennsylvania, for example, we have been told that a complicated set of requirements makes enforcing its version of a statutory duty particularly problematic.

In conclusion, there are complex issues at play in relation to a statutory duty of candour, and views are held on both sides of the argument for and against such a duty. What we can say, as has been documented in the White Paper, is that we are absolutely set on achieving that change in culture to achieve openness and candour in the NHS and all organisations that provide care. We are exploring those complex issues carefully. The culture of secrecy and denial is a disease that needs to be cured, but to do so we need to understand and treat its causes at their source, rather than simply treating the symptoms with an ineffective plaster.

As my hon. Friend the Member for Poole stated, the start of the healing process is about learning the truth. The Government will need to decide how we can provide the environment, with or without legislation, in which the truth can come out immediately—in a timely fashion—and openly. We need inspirational leadership and highly developed management skills in our NHS leaders to create that change in culture to create an open atmosphere among staff, not the closed culture that we have seen. We need a culture that replaces the fear of the consequences of openness with the courage to recognise that openness, honesty and truth will, ultimately, not only give families what they need to heal their wounds and achieve closure, but allow staff to learn from their mistakes, raise their standards and raise the bar on their professional standards.

The Government will consider all that when making the decision, but Members should rest assured that everything that has been said today and all the effort to highlight the issue will be taken in account to ensure that we get the right system in place to give people what works.

10.55 am

Sitting suspended.

PACE (Stop and Search)

11 am

Richard Fuller (Bedford) (Con): I appreciate the opportunity to have this debate. The shorthand definition of the code of practice that I wish to consider is "stop and search", but it also includes "stop and account". The draft guidelines recently issued by the Government state:

"The primary purpose of stop and search powers is to enable officers to allay or confirm suspicions about individuals without exercising their power of arrest."

We would all recognise that that is an important part of policing powers, but some issues arise from it and I have some questions to which I should appreciate a response from the Minister. My interest arises partly from my membership of the all-party parliamentary group on race and community and from conversations that I have had with the Runnymede Trust and the StopWatch coalition, both of which have alerted me to issues of the context in which the proposed changes and guidelines are being made. The most significant issue is disproportionality between people of different ethnic origins.

A black person is at least six times as likely as a white person to be stopped and searched by the police. It is twice as likely to happen to an Asian. That is grossly disproportionate and those ratios have remained stubbornly constant in the past five years. The report "Stop and think", which was produced earlier this year by the Equality and Human Rights Commission, included research findings that

"black and ethnic minority youths were over-represented in the criminal justice system. This over-representation started at the point of entry into the system, and largely continued as young suspects and defendants passed through it."

If the very first part of a person's interaction with the criminal justice system is disproportionate, there may be consequential effects at other stages in that system.

The black population of England and Wales is approximately 2.6%, but black people represent 14.8% of incidents of stop and search, 7.6% of arrests and 14.4% of the prison population. I think that anyone would find those statistics chilling. It is a rare thing for me to say I agree with Bernie Grant, the former Member of Parliament for Tottenham, but in 1997 he said:

"Nothing has been more damaging to the relationship between the police and the black community than the ill judged use of stop and search powers. For young black men in particular, the humiliating experience of being repeatedly stopped and searched is a fact of life".

Of course society has moved on in 13 years, but, as the statistics have shown, disproportionality is still significant.

Stop and search is not a power that is used occasionally. Last year, there were more than 2 million instances of stop and account by police and more than 1 million of stop and search. That amounts to more than 10,000 a day, which is not only disproportionate, but shows widespread and pervasive use in our society.

I accept—and this is probably much of the intent behind Government moves—that the recording of information accounts for considerable police time. It is estimated by the *Daily Mail* that the proposed changes will save 450,000 hours of police time by eliminating the stop-and-account element and 350,000 hours of police time by reducing stop-and-search forms. Those are welcome savings in police time, to enable our police to spend more time in their jobs on the beat, and in helping citizens by combating crime.

However, against a backdrop of considerable community concerns, and severely disproportionate impacts, perhaps the Minister could assist with the answer to some questions. The first is about the removal of the requirement to record stop and account. As I have said, that represents 2 million actions by the police each year, so it is certainly clear that removing the requirement to record stop and account will save considerable police time. However, as we have not yet ended disproportionality, is the Minister concerned that we would lose an important source of information on fairness?

I understand that it would be possible for chief constables to re-institute stop-and-account searches if local concerns were expressed. That is a very welcome part of the proposals, but how will the local pressure be voiced? What would constitute a valid local concern and how would it be differentiated from concerns thought to be invalid?

I would also appreciate the Minister's views on the decision by Suffolk police to de-fund the stop-and-search reference group. What message does that send to people who have concerns about disproportionality and the reliance on the raising of concerns by local voices? On the same point, what role does the Minister see for the Equality and Human Rights Commission? Are steps such as the enforcement action warning that it issued this week to Thames Valley police and other forces seen as part of the community response to disproportionality in stop and account and stop and search?

The Government have—and I welcome this—removed parts of the justification for section 60 stop and search on the grounds of race. The National Black Police Association said the original draft proposal

"opens the door to racial targeting that could be based on gossip, malice and outright racial prejudice."

Perhaps I might use this opportunity to thank the Minister for, and congratulate him on, the changes, and for his statement:

"Previous guidance did not place any restrictions on use but now it will make clear than an individual characteristic such as ethnicity should never be the sole basis for any search."

That shows the direction of travel of the Government. They will look at areas where there is disproportionality and seek to eliminate that. They will look at areas where ethnicity is misused in policing, and ensure that that no longer happens. I would welcome the Minister's comments on the background to the draft guidelines and the change.

Section 60 stop and search is a very significant power that we provide to the police. It enables the police to stop and search an individual where there are no grounds for suspicion of the particular individual, in a designated area, for a period of 24 hours. Nationally the black population of the country, as I said earlier, is about 2.6%, but they represent 32% of stops and searches under section 60. Therefore, under the police power to stop and search with no grounds for suspicion of the individual concerned, a black person is 26 times more likely than a white person to be stopped. That is a shocking statistic and everyone, including members of the police force, will want that ratio to be changed.

The usage of this blanket power, which does not rely on individual assessment or suspicion, has grown over the past few years. In 2004-05, there were 45,600 incidences of section 60 stop and search being used. Just three years later, in 2008-09, the figure had more than trebled to 149,955. This is a specialised, exceptional power akin to those available under section 44 of the Terrorism Act 2000. Does the Minister believe that there should be specialist oversight of the authorisations that chief constables are using to invoke this power? I am not aware of any areas where there is currently national oversight over particular actions by chief constables, but given that the use of these authorisations is growing and disproportionate, and given that these very powerful measures are targeted on an area, not an individual, I would greatly appreciate it if the Minister could tell us what oversight, if any, there could be over them.

Other issues are related to the information collected on the stop-and-search form. Again, I think that the proposals are being introduced with the good intention of reducing the amount of police time that is spent on form filling. The Minister may, in an offhanded way, have called it box ticking, but I am sure that he accepts that some of this information is valuable. I want to alert him, therefore, to some reasons why some of the information that will be lost from these forms might be valuable, and he might want to consider how such concerns could be addressed.

The first piece of information that will be lost from the stop-and-search form is the name of the person who has been stopped and searched. How will it be possible to identify and measure repeat stops and searches that might amount to harassment? If an individual is stopped and searched routinely by the police, that will be evident from the current form because the individual's name will have been collected, but it will not be evident under the proposed change. How might we deal with concerns about harassment if that information is lost?

Secondly, as a result of the targeting of individuals in a community, there might be community concerns. How will the community have the information that it needs to identify and measure whether particular individuals are being targeted? There is, therefore, not only the individual concern; there will also be a community concern if four or five individuals are routinely stopped and searched and people feel that their community is being unfairly targeted.

The second piece of information that will be lost is whether injury or damage was caused as a result of the search. If that information is not collected, my concern is that we might leave the police open to allegations that some injury or damage was caused. How will it be possible to identify and account for incidents of the misuse of force? The corollary of that is the issue of how the police will be guaranteed protection against allegations that an injury did occur.

The third piece of information that will be lost relates to whether anything was found as a consequence of the search. One of the concerns about the use of stop and search relates to how effective it is in tackling crime. With so few stops and searches resulting in an arrest, how will we know how effective stop and search is likely to be if we have no information about whether anything is found as a consequence of a search? Overall, stops and searches have resulted in an arrest rate of about 10% to 13%, which means that nine out of 10 stops and searches—3 million in total—do not result in an arrest. Three million is a widespread trawl through our communities, and that can have counter-productive effects by separating the police from the communities that they serve.

Over the past few years, since the quote from Mr Grant, progress has been made. Our police have done an enormously good job of reaching out to communities. We need to do more of that, but stop and search is not necessarily one of the main ways to do it. We need look only at the effectiveness of one of the important powers in section 60 in tackling knife crime. A review of statistics from 11 London boroughs with a high incidence of knife crime showed a broad correlation between the incidence of knife crime and the number of stops and searches – when there are a large number of knife crimes, the police carry out more stops and searches. However, there is no correlation between the number of stops and searches and a reduction in knife crime.

Let me give an example. In 2008-09, Tower Hamlets and Islington both experienced approximately 305 knife crimes. The police in Tower Hamlets responded with a stop-and-search rate that was two and a half times that of Islington. Although knife crime fell by 11% in Tower Hamlets, it fell by nearly 25% in Islington where such a large number of stops and searches were not carried out.

People in those communities want knife crime dealt with. However, stop and search does not appear to be a tool that helps and we must look at alternatives. In his response, perhaps the Minister will talk about initiatives other than stop and search that can be used to reduce the disproportionality of the statistics on ethnicity in our criminal justice system.

For example, the practice-oriented package initiative that was introduced in Stoke-on-Trent reduced the disproportionality ratio from six times the national average to just 1.5 times that average. In Cleveland, the number of stop and searches was reduced by 80%. That reduced the disproportionality in stop and search and also reduced the crime rate. Will the Minister also endorse police innovations in tackling drugs without the use of stop and search, which has been done to good intent?

I understand, appreciate and support the Government's efforts to reduce the waste of police time spent collecting information that is not helpful in tackling crime. I believe and understand that the Minister shares my concerns about disproportionality and wishes to ensure that police powers are used correctly. I welcome the change to the draft guidelines that have stopped ethnic profiling from being written into our legislation. That move is welcome, but considerations and concerns remain about the continuation of stop and account without the recording of information, and about the reduction of information in the stop-and-search forms. I look forward to hearing the Minister's response.

11.17 am

The Minister for Policing and Criminal Justice (Nick Herbert): First, may I congratulate my hon. Friend the Member for Bedford (Richard Fuller) on securing the debate and on raising the issues in such a forceful way? Such matters continue to generate a significant amount of public interest and highlight some of the concerns about front-line policing that we are keen to address.

[Nick Herbert]

We are keen to ensure that officers strike the right balance between necessary bureaucracy for the sake of accountability—which is important—and irrelevant form filling that wastes the time of the police and the public, and impacts unduly on citizens going about their business by asking unnecessary questions.

It is important to understand how policing, and the bureaucracy that surrounds it, impacts on community relations. Procedures such as stop and account and stop and search are most effective when local communities understand them and support their use. There is a difference between stop and account and stop and search, and we must be mindful of ensuring that the processes associated with them are not confused. Stop and account is where an individual is asked to account for their presence, actions and so on, but they are not searched. It can be one step on from the general conversations that officers have with members of the public every day. Stop and search clearly goes further than that. It is an intrusive procedure and therefore a cause of more concern among local communities.

Many of the proposed changes to the Police and Criminal Evidence Act 1984 code of practice A are necessary to reverse the increase in paperwork generated by the last Government. In our judgment, that paperwork hampers police operations and leads to encounters with the public that are ineffective, bureaucratised and poorly understood. We need officers on the street to record only information that is of value, and it may differ from situation to situation and from force to force. I do not want to see in place measures that discourage proper interaction between police officers and members of the public.

Let me explain the rationale behind our stop-and-account proposals. The abolition of the national recording requirement for stop and account will potentially free up around 450,000 hours of police time, allowing officers to increase the quality—and shorten the duration—of these brief encounters, and enabling forces to be more responsive to the communities that they serve.

I share my hon. Friend's concerns about the level of disproportionality in the use of police powers. However, when the statistics for stop and account are examined more closely, it appears that it is not used in a disproportionate manner across England and Wales. It is also fair to say that there is less concern about the operation of stop and account than there is about stop and search. That is why we are removing fully the national requirement for recording stops and accounts, leaving local recording to a local decision where a local need is identified.

Individual police forces know their own communities better than Whitehall does. Increasingly, they will be answerable to their local communities, as we have set out today with the introduction of the Police Reform and Social Responsibility Bill. Those forces should know the extent to which the operation of stop and account is a matter of particular local concern. They are best placed to analyse their own statistics and understand how they use the tactic and how it impacts on ethnic minority groups locally, and they should be held to account by their elected police and crime commissioners, with the scrutiny of new police and crime panels to ensure the proper use of such procedures.

The Government understand that stop and search is a very different tool and is far more intrusive. It is right that its monitoring and use should continue, both nationally and at a local level. We are reducing the number of pieces of data to be completed on a stop-and-search record from 12 to seven, saving more than 300,000 hours of officers' time every year as well as reducing the duration of these encounters for those stopped and searched.

My hon. Friend expressed concern about some of the pieces of data that will be removed. However, key information about each encounter will still be recorded, including the self-defined ethnicity of the person stopped, which is obviously the critical information, and we have made minor amendments to code A to encourage the further use of mobile technology to reduce even further the time taken to record each stop and search. The 12 recording requirements used during a stop-and-search encounter will be reduced to seven: ethnicity, the object of the search, the grounds for the search, the identity of the officer carrying out the stop and search, the date, the time and the place. Such requirements do not prevent police officers from recording information that they feel would be useful intelligence, but it is not necessary as a Government requirement for such information to be held in a stop-and-search record.

Our amendments to the guidance on the use of section 44 stop-and-search powers follow the Home Secretary's announcement on 8 July, which curtailed the use of this power in the light of the judgment of the European Court of Human Rights in the case of Gillan and Quinton v. United Kingdom. My hon. Friend also raised issues around section 60 stop-and-search powers, both in terms of the guidance supporting officers' use of this power, and the disproportionality figures that have been reported in the press recently.

Let me assure my hon. Friend and all hon. Members that there was never any intention on the part of the Government to encourage the use of ethnic profiling or unlawful discrimination in the use of this power—far from it. The original draft of the guidance contained wording that had been introduced in code A by the previous Government in 2003 in relation to the police's use of section 44 powers. The original draft explained that all authorisations had to be supported by clear intelligence and that, on occasion, intelligence could suggest a possible suspect description that included characteristics such as race, age, sex and so on. However, it also stipulated that race should never be the sole reason for stopping someone under section 60.

The guidance was evidently not clear enough and was misconstrued. We therefore considered the responses to the statutory consultation and have redrafted the relevant paragraphs to include all protected characteristics under the Equality Act 2010. We have stated clearly that unlawful discrimination will not be tolerated.

I must, however, warn against judging the use of a key tool such as section 60 purely on a national statistic. The figures cited in the press about black people being 26 times more likely than white people to be stopped and searched under section 60 are potentially misleading if they are not examined a little more closely. In 2008-09, 76% of all section 60 stops and searches were conducted by the Metropolitan Police Service in London. Therefore, to assess the use of that power against the national population's ethnicity breakdown is deceptive. We need

to compare that 76% with the ethnicity of the population of London and the remaining 24% with the rest of the country. When we do that, we find that the use is not so disproportionate.

The power is used to tackle specific issues relating to serious violence and, in particular, knife crime. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who is responsible for crime prevention, recently responded to a debate in this Chamber on youth violence and was very clear about how we need to protect our communities against violent crimes.

The use of section 60 as one of the many tools that the Metropolitan police use as part of their continuing action against knife crime receives significant support from communities in London. The Metropolitan police have gone to great lengths since the start of Operation Blunt 2—their programme of action against knife crime—to increase community engagement. An example of that is the young Londoners engagement programme, which explains why the powers are so important and the dangers of carrying knives. The Metropolitan police are in the process of reviewing their operational use of the power, and all boroughs have been reminded that they must be proportionate in their use of section 60.

Neighbourhood policing—such a rare thing at the time of the Macpherson inquiry in the late 1990s—is now embedded throughout the country in such a way as to give the public far greater confidence in the way in which their police service operates. The Government are determined to do everything that they can to ensure that neighbourhood policing is protected, despite the budgetary challenges that confront forces. We are also determined that the British tradition of policing by consent should flourish, and that can happen only if the public understand why the police do what they do and, just as importantly, if the police understand how their actions are perceived by the public.

My hon. Friend the Member for Bedford referred to the role of the Equality and Human Rights Commission. The commission has praised the "Next Steps" process developed by the National Policing Improvement Agency, which is being used by the police in, for example, Merseyside and Dorset, as well as Lewisham in London. It helps the police to understand the way in which they use stop and search and how the population of an area and the apparent levels of disproportionality might in some circumstances not present a true picture. The early feedback on "Next Steps" is positive, and we hope to be able to expand it to other areas shortly.

I have been impressed by the way in which my hon. Friend has raised these issues. Since the general election, there has not been a great deal of debate in the House about these issues or the changes that we propose to make. There may be debate in relation to the orders that we have laid to change the PACE codes, but I would welcome the opportunity for further discussion with my hon. Friend and other hon. Members. I would be happy to convene a meeting with key representatives of the police, including the deputy commissioner of the police in London if he would be willing, in order to talk about their use of stop and search, why they believe that it is such an important tool in their fight against knife crime, why they believe that it has public consent and how they are alive to the important issues of disproportionality that can be raised.

In summary, stop and search is a vital tool. The challenge for the Government and the police is to ensure that the powers are used fairly and with the support of the community, and it is a challenge that I am confident we will meet.

11.30 am

Sitting suspended.

HIV

2.30 pm

Mr Edward Leigh (in the Chair): The sitting is resumed.

Hon. Members: Hear, hear!

David Cairns (Inverclyde) (Lab): That might be the best cheer I get all day. I welcome you to the Chair, Mr Leigh. It is a pleasure to serve under your chairmanship in this important debate. I also thank Mr Speaker for allowing this debate on HIV services in the UK to take place on world AIDS day. I have been in Parliament for nine years, but I am still ignorant about how debates are selected—whether there is a lottery or whether Mr Speaker has a say in the matter. If he does, I thank him; if it was a lottery, I thank the Fates for timetabling this debate on 1 December.

I begin with a point of clarification. This is not for the benefit of hon. Members present in the Chamber, as they are well aware of the procedures of this place, but for those who are watching the debate on television or the internet, and those who will read the account of the debate in days to come. This debate will focus mainly on HIV in the UK, but that is not because we think that HIV outside the UK is not a problem, or because we are unaware of the scale of HIV in the developing world.

Africa has 10% of the world's population but 72% of the deaths from AIDS, and we are aware of that. However, parliamentary procedure means that different Departments respond to the debates on different days, and today it is the turn of the Department of Health, not the Department for International Development. Therefore, although an enormous number of points could be raised about the global AIDS epidemic, I will in the main restrict my comments to HIV in the UK. With your indulgence, Mr Leigh, I might also sneak in a few comments about the international scene; I alerted the Minister about that in advance.

If colleagues are anxious to hear about the international aspects of the HIV epidemic, I should say that a world AIDS day reception will be held this evening at 7 pm in the Commonwealth Parliamentary Association Room. You are invited, Mr Leigh, as are all hon. Members, friends and colleagues.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): My hon. Friend is performing a service by raising the issue of HIV/AIDS in the UK. Does he also recognise that many people, both inside and outside the country, want to know what the UK Government intend to do about the future funding of the Global Fund to Fight AIDS, Tuberculosis and Malaria? That body has an excellent record in getting drugs to people with TB, malaria and particularly AIDS, many of whom are still in desperate need.

David Cairns: I am grateful to my hon. Friend, who was a distinguished and long-serving Minister at DFID. In a sense, it is a false dichotomy to say that there is an AIDS epidemic in the UK and an AIDS epidemic in Africa and never the twain shall meet. One of the largest at-risk populations in the UK is the African community—people who come from Africa and are HIV positive, or those who contract the disease in the UK within the African community. I will speak about that in a moment.

My hon. Friend is correct to highlight the need to address the problem of the AIDS epidemic in Africa. Over the past few years, one of the most effective ways of doing that has been through the Global Fund to Fight AIDS, Tuberculosis and Malaria. The last Government had a good record in ensuring that the global fund was initiated, then adequately resourced. During the most recent meeting of the fund in October, high, medium and low targets were set for the level of replenishment. Unfortunately, the global community failed to hit the low target, let alone the medium or high targets.

I understand why the Government do not come forward and state the exact figures for the replenishment of the fund. Through DFID, they are conducting a multilateral aid review, and until they decide their priorities, they cannot say how much will be made available for the global fund. Until we can provide a figure, I encourage Ministers to let the world know, at least with rhetoric, that we remain committed to the global fund.

Much of the world looks to the UK for an international lead in tackling AIDS, and other countries will be looking to our figures for the replenishment of the global fund before making their commitments. The Government have an excellent opportunity to set a global lead. I was going to make those points about the international community at the end of my speech, but I have made them now.

Let me return to matters for which the Minister is responsible—she will be pleased to hear that—rather than the rest of the world. I will make three points about how we should respond to the ongoing HIV epidemic in the UK and our public policy; priorities. First, I will speak a little about prevention, secondly I will discuss testing and treatment; and thirdly, I will say something about care and support. Those three things do not exist in isolation; they are not, to use fabled management-speak, in "silos." One point leads into another, but for the purposes of the debate I will say a little about each issue in turn.

The backdrop to this debate is not only the ongoing financial constraints under which all Governments around the world are operating, but the NHS reconstruction and reconfiguration that the Government have embarked on, as well as the messages contained in the public health White Paper, launched yesterday by the Secretary of State. Because the national health service is undergoing a process of change and transition, there is some uncertainty. Until we get answers to some of the questions that we raise, that uncertainty will continue.

As I pointed out in the main Chamber this afternoon, although the Minister's responsibility on such matters is constrained to the NHS in England, the HIV virus does not respect geographical borders. It is incredibly important for the Government to work closely with the devolved Administrations in Edinburgh, Cardiff and Belfast to ensure a coherent, joined-up approach. That is the only way to tackle the virus in a way that will see a reduction in the number of people affected and reverse the rate of increase in new cases of the disease. Therefore, although I am addressing the NHS in England, the message must be heard by those who configure the NHS in the devolved Administrations. I was pleased to hear that the Secretary of State for Scotland will meet the Minister responsible for health in Scotland tomorrow, and will put that important issue on the agenda.

The first issue that I mentioned was prevention. In the early days of the epidemic, not much was known about the virus. There were no drugs and no effective treatment. Messaging was, by necessity, extensive and untargeted. Those of us old enough will remember the adverts with the collapsing tombstones and the gravelly voice telling us about the new virus—AIDS—and how dangerous it was. We remember the posters and the radio adverts, which were essentially blanket advertising for the whole UK. People debate the relative impact of those messages, but we remember that campaign many years after it happened, so it did have some impact.

The situation of those who have HIV in the UK today means that that type of mass media advertising is not perhaps the best way of getting a message to those most at risk. That point was made in the foreword to the "Halve It" document, by Lord Fowler, about which I will speak shortly. Lord Fowler was a distinguished former Secretary of State for Health and Social Security, and he is remembered very fondly by people who work on behalf of and alongside those with HIV and AIDS for the forward-looking approach that he took. As he acknowledges, such mass communication messages are no longer relevant, and the campaign must be more targeted.

Will the Minister tell us whether the Government's strategies on sexual health and HIV propose to target messages on specific, at-risk communities, and particularly but not exclusively on younger gay men, for whom some of the safe sex messages may have been lost in time, and the African community? Those communities are not mutually exclusive, of course, but the messaging to each will have to be different. Particularly now that more heterosexual people are contracting the virus, many of whom are in the African community, there is a pressing need to develop messaging that speaks to that community and to its values and structures, whether through Church or faith networks or whatever, so that we can overcome some of the ignorance and stigma in the black African community in this country. I would be grateful for the Minister's comments on what she proposes to do about that.

Pauline Latham (Mid Derbyshire) (Con) *rose*—

David Cairns: I am happy to give way to a vice-chair of the all-party group on HIV and AIDS.

Pauline Latham: Does the hon. Gentleman accept that, in addition, white heterosexual people who perhaps have got divorced recently, after having had a monogamous relationship for many years, are now going out into the world of single dating and getting into a mess because they do not realise that HIV/AIDS is out there in the heterosexual community? Is that not an expanding area that we should also be targeting?

David Cairns: The hon. Lady is right. I was saying that the messaging should not go exclusively to gay men and to people in the African community. There must be a message for everyone, but the messaging needs to be differentiated. There will need to be different messages to different people, within relative constraints. I hope that the Minister will deal with her point.

There is concern. I am of the generation that came to maturity at the time when the AIDS epidemic—well, I might not have come to maturity yet; it is probably up for debate whether I have reached maturity.

Mr Thomas: Don't do yourself down.

David Cairns: Yes, I am doing myself down here. I am of the generation that came to adulthood when the virus was making its first big impact, so those messages really stayed with me. I wonder whether that is the same today, particularly, although not exclusively, for young gay men of 17, 18 or 19. We cannot be squeamish about this issue. We must speak a language that they hear and will listen and respond to. I do not expect the Minister necessarily to go into that in detail today, but I want an assurance from her in that regard. I know, particularly given her former career, that she is not squeamish about these things, and we cannot be squeamish when people's lives are at stake.

Of course, one way to prevent the spread of the virus is to ensure that everyone who is HIV-positive knows that they are HIV-positive—knows their status—and is receiving the correct drug treatment. It is not widely appreciated that when someone who is HIV-positive is on the correct level of antiretroviral drug treatment, they become significantly less infectious. I had not appreciated that—I must confess that that was ignorance on my part—until fairly recently. It means that treatment for one person is prevention for another.

When an individual is on ARVs and is less infectious, that helps to constrain the spread of the epidemic and when people know their HIV status, it alters their sexual practices. Most of the evidence and studies show that. The more people we can test and the more HIV-positive people who know their status and are receiving the right treatment, the more we will do to prevent the spread of the virus.

Jenny Willott (Cardiff Central) (LD) *rose*—

David Cairns: I am happy to give way to another vice-chair of the all-party group.

Jenny Willott: I have just had a baby and I was tested automatically for HIV during my pregnancy. Does the hon. Gentleman agree that extending such automatic testing could play a valuable role in identifying cases very early, so that people can receive the treatment that, as he said, will not only help them with their own medical needs, but prevent them from spreading the condition?

David Cairns: The hon. Lady makes an excellent point. I think that it was my right hon. Friend the Member for Holborn and St Pancras (Frank Dobson), when he was Secretary of State for Health, who introduced automatic testing in pregnancy. If we look at the graph, we see that the tail-off is quite astonishing: once opt-out testing was introduced for pregnant women, the numbers of babies being born HIV-positive plummeted.

Of course, the issue is not just about babies. Quite often when we are talking about the prevention of mother-to-child transmission, we focus on the baby, but a woman is involved as well. As the hon. Lady rightly says, if a woman's own HIV-positive status has been diagnosed at the beginning of pregnancy, she can be put on the correct course of ARVs. That is why, in the northern world, mother-to-child transmission has been, if not completely eliminated, massively reduced—because not only ARVs but the correct education about

[David Cairns]

breastfeeding are making an enormous difference. However, almost 500,000 babies born in Africa every year are HIV-positive. That is completely preventable—entirely avoidable. If pregnant women are tested and put on ARVs, they do not need to pass on the virus. It is one of the great scandals of our age that something that is solvable—we have solved it here—could be solved throughout the world with the correct financial support and the political will, but it has not been.

Mr Thomas: Is not one of the conclusions that can be drawn from the comments made by the hon. Member for Cardiff Central (Jenny Willott), as well as from my hon. Friend's point about mother-to-child transmission, that we need to ensure that the Department of Health and DFID work closely together, so that the lessons of success in dealing with HIV in this country can be properly worked into our development policy abroad? Is it not therefore a concern that DFID's HIV/AIDS team seems to have shrunk very small—if indeed any cadre of skills in this area is left in the Department at all?

David Cairns: I am grateful to my hon. Friend. He has far greater knowledge of these matters from within DFID than I have. If what he says is true, clearly it is a very worrying development. I was fortunate enough to meet some members of the HIV/AIDS team in DFID a few weeks ago. Whether or not the team is smaller than it used to be, it is certainly very committed. I also met some DFID workers when I was in Kenya a few months ago, and they are doing a tremendous job.

It is to the credit of the Government that they have protected the international development budget, but of course there will be reprioritising within that budget. Part of what we are doing as an all-party group is ensuring that these issues are not lost in the reprioritisation. This is what people find very frustrating about the international dimension of this issue. Enormous progress has been made and the tide is beginning to turn. If we withdrew funding or support or lost the political will at this stage, it would be a disaster and a tragedy, not least because in five years' time we would have to return to the matter, because we could not let the number of deaths and new infections let rip, as we saw happen in the 1980s and 1990s.

Mr Thomas: Will the all-party group, as part of its thinking about the Government's multilateral aid review, also consider funding for the new UN women's agency? I ask that in the context of the comments from a previous UN Secretary-General, who said that AIDS in many parts of the developing world has an increasingly female face and that we need to ensure that we continue to champion efforts to tackle issues relating to gender equality—for many reasons, of course, but in particular to help with the fight against AIDS.

David Cairns: My hon. Friend makes an excellent point. The new agency has real potential to make a difference. We are all relieved that some of the world's appalling, oppressive, anti-women regimes that were muscling in have been set to one side, which will allow the agency to focus on the issues that he mentioned.

A saying that we hear over and again now in Africa is that the face of the epidemic is female. That is not just because of mother-to-child transmissions, but because of the disempowerment of women and the limiting of women's ability to make choices about their own sexual and reproductive health. Of course, that is not the case solely in Africa; it is the case elsewhere in the world as well. However, it is a particularly pressing problem in Africa and one that we must not lose sight of.

I was talking about the need to ensure that people who are HIV-positive know that they are HIV-positive. That is why the all-party group is pleased to support the Halve It campaign, which is composed of many agencies, clinicians and groups advocating on behalf of people with HIV. It is campaigning to halve the number of late diagnoses by 2015. That is an ambitious target, but the document sets out steps that can be taken to meet it, and I would be grateful for the Minister's comments on them.

Yesterday, I was pleased that when I urged the Secretary of State for Health, while he was making his statement on the public health White Paper in the House, to look at the Halve It campaign, he gave an undertaking to do so and see whether it could form part of the HIV and sexual health strategy. I would be grateful if the Minister confirmed that she will look at the campaign's document, particularly at the steps that can be taken to halve the numbers of late diagnoses and of those living with undiagnosed HIV by 2015.

I shall press on because I know other hon. Members are keen to take part and I want to hear the Minister's reply. Once a person is diagnosed—I shall speak about some of the hurdles in a moment—the virus changes from being in its potentially lethal undiagnosed state, which poses a wide public health risk due to how it can be transmitted, to being a more normal—I use that word advisedly—long-term managed condition. That brings different challenges with it.

One thing that we are looking for in the detail of the NHS restructuring plan is how people will access services in the long-term managed phase of the condition. Who will commission those services, particularly in low-prevalence areas? Until those questions are answered, there will be uncertainty in the community. I want the Minister to answer specifically the question of who will commission HIV services in the new restructured NHS. Will it always be the GP? Is the GP the best placed person to do so? Do GPs have the time and the expertise, particularly in low-prevalence areas? I am sure that GPs in much of London, Brighton, Manchester or Glasgow have the necessary expertise because they have the caseload, but in other areas that might not be the case. Is a one-size-fits-all approach across the NHS the right solution or is something a little more granulated necessary to deal with the full complexity of the issue?

We have to face up to the fact that a lot of people who are HIV-positive simply do not want to access services through their local GP. Whether it is wise or unwise, it is understandable in some areas, particularly in smaller towns or villages, where everyone knows everyone else, and you know who works in your GP's surgery and they know everybody and everything about you. Under those circumstances and given that the stigma prevails, and the myths, misunderstandings and prejudice that people with HIV face, it is understandable that there are those who will not want their status to be known in their own

community. In evidence put forward yesterday by the National AIDS Trust, we saw how many people face discrimination in the workplace due to their HIV status.

AIDS is a complex condition. It affects people physically, emotionally and psychologically. In that complex mix, it is important that the NHS is responsive to that and allows people pathways to treatment that might not always be the same in every place. I would be grateful for the Minister's views on that.

Mr Russell Brown (Dumfries and Galloway) (Lab): I congratulate my hon. Friend on securing the debate. Because stigma is still attached to this condition, people in rural localities, such as mine, will seek advice and help from further afield, thereby distorting the figures on the prevalence of the condition in certain parts of the country.

David Cairns: My hon. Friend is absolutely right. He represents an area that is not only largely rural but on the borders of Scotland and England, which brings me to the point that I mentioned at the very beginning. I imagine that many of his constituents will be accessing HIV services in Carlisle, for all sorts of reasons, but partly due to the stigma still associated with the condition. They do not want to access services in small villages and towns. Ultimately, we have to get to a situation in which there is no stigma, prejudice or discrimination and people can happily access GP services for a long-term managed condition, as people with diabetes, asthma and other long-term managed conditions can. Until such a time, we have to be sensitive to these issues.

Another reason why people are wary about always accessing services through GPs is the lack of awareness and understanding that many GPs demonstrate. Part of the reason why we have so many late diagnoses is that GPs do not pick up the telltale signs often enough. An alarming number of people had seen their GP on many occasions during the 12 months before they were eventually diagnosed as HIV-positive, and it was not picked up that they might have been HIV-positive. An astonishing number of people had been in-patients in the 12 months preceding their diagnosis; they were almost certainly HIV-positive while they were in hospital, but it was not picked up.

A lady recently got in touch with the all-party group—a middle-aged, professional, white lady—who had suffered serious recurrent health problems for two years and had seen numerous clinicians, including a GP on many occasions, before anyone thought to offer her an HIV test, which brings me back to the point that the hon. Member for Cardiff Central made. That lady was a textbook case: she had every symptom and yet her GP never thought to offer her an HIV test. That is clearly happening across the country, which explains why we have 22,000 people who are HIV-positive, but do not know it. It is not the case that none of them ever visits their doctor—they regularly visit their GPs, perhaps they even go into hospital as in-patients, and yet their status is not picked up. That is a public health disaster because the ability of those people to infect others is much greater than it would be if they were receiving the correct course of ARVs.

We need assurance that, within the restructuring, GPs will get very good guidelines and necessary training, and be encouraged to offer people an HIV test in the routine manner suggested earlier, to tackle undiagnosed HIV.

Jenny Willott: Will the hon. Gentleman also suggest that we need to tackle the stereotypes about the kind of person who might have HIV? That is one issue for people who do not go to their doctor, or who do go but whose GP does not pick up on it. As the hon. Member for Mid Derbyshire (Pauline Latham) mentioned earlier, GPs may not think that a middle-aged, heterosexual white woman is likely to be HIV-positive. We need to tackle those stereotypes.

David Cairns: The hon. Lady is correct. Part of the education of GPs must be about looking at the symptoms, not only what the GP imagines a typical at-risk person would be. Having said that, we need to show that those within high-risk groups of people are being tested as well.

The tremendous progress that has been made in testing in the past few years is truly astonishing. Someone can be tested and have the result in less than a minute. I hope that he will not mind me mentioning it, but the hon. Member for Brighton, Kemptown (Simon Kirby) saw this first-hand last night when he received a test through the services provided by the Terrence Higgins Trust in the House, and he had the result in less than a minute. Testing is not the long drawn-out process that it was years ago, but can be done much more quickly.

Finally, on care and support, people are living longer with the virus, which is a very good thing, but it brings with it challenges and complications—physical, emotional and mental. It is very important that we understand the need to have a strategy for people living longer with HIV. The AIDS support grant is no longer ring-fenced, and I am not arguing that it should be re-ring-fenced, but I am arguing strongly for it to stay within the grants that go to local government as a specified budget line.

In that way, local people can hold their local authority to account in exactly the way that the Secretary of State outlined yesterday. It is his belief that local people should be able to see the services being provided for them, and argue for services. If the AIDS support grant disappears as a title altogether and is subsumed into the general pot of money that local government gets, local people will not be empowered to come forward and demand the kind of services for which money is being made available.

In conclusion, I hope that the Minister will address some of the concerns about the AIDS support grant and the Government's vision for it. I hope too that she will be able to calm some of the fears and uncertainties out there on how HIV services are to be commissioned, how they will be accessed, and how they will be supported under the new NHS that the Government have in mind.

Mr Edward Leigh (in the Chair): Order. Five Back Benchers have intimated that they wish to take part. I intend to call the wind-ups at about 3.30 pm. Hon. Members can do the maths, so I ask for brief speeches from now on.

3 pm

Mike Weatherley (Hove) (Con): I congratulate the hon. Member for Inverclyde (David Cairns) on securing this important debate, whether by skill or fortune.

The Hove and Brighton area has one the highest rates of HIV in the UK. Many of my constituents live with the virus, and others have friends and colleagues that do so. It is a great privilege to speak up for them on any day, but especially on world AIDS day.

[Mike Weatherley]

I wish to make two clear points. First, HIV does not always conform to stereotypes. HIV does not affect only young men on the gay scene, or people in or from Africa. As we heard earlier, it also affects white, middle-aged and older straight men and women. Until politicians, policy makers, doctors and the general public take that fact on board, dealing with HIV will continue to be hard work. Secondly, 26% of all who live with HIV in the United Kingdom are undiagnosed. Tackling this must be a priority.

In Brighton and Hove City primary care trust, about 450 people are HIV positive without knowing it. The Government and local services must do everything that they can to bring the number down, and I am determined to do what I can to support the NHS at the local level in this task.

My two earlier points are linked, because it is precisely those who are not in what are known as high-risk groups who get diagnosed the latest. Heterosexual men have the worst rates of late diagnosis, at 65%. That is possibly because they are less likely to consider themselves at risk, as we heard earlier, and unlike women they will never be tested in ante-natal settings. It could also be because clinicians may not consider them to be at risk. Heterosexual men over 50 years old have the worst rates of diagnosis; 73% of those not diagnosed until over the age of 50 are diagnosed late.

HIV comes in many shapes and sizes. At 54%, more than half of new diagnoses in 2009 were among heterosexuals, something that surprised me when researching for the debate. At 51%, more than half of HIV-diagnosed individuals accessing HIV care in 2009 were infected through heterosexual sex. The proportion of heterosexual diagnoses in which people are believed to have been infected in the UK has risen year on year throughout the epidemic. From 2003 to 2007, it doubled from 12% to 24%, and it continues to rise. It is now about 32%. The over-50s represent one in five of all adults seen for HIV care in 2009. That is due to an ageing cohort of people diagnosed previously, as well as an increase in new diagnoses among older people.

I dwell for a moment on the growing cohort of people of more than 50 years of age that live with HIV. This cohort will be bringing new needs to the NHS, and it should be ready for them. As people get older, they see more of their GPs. Many older people living with HIV suffer side effects from treatment; overall, they report twice as many other long-term non-HIV conditions as their non-HIV positive peers. As a consequence, they need to spend more time in health care, including primary health-care settings, than their peers. That makes their relationship with non-HIV specialist doctors almost as important as their relationship with HIV doctors.

The Terrence Higgins Trust surveyed about 400 people aged over 50. It found that

"respondents repeatedly told stories of discrimination, ignorance and poor clinical treatment in generalist healthcare, particularly in primary settings."

The survey concluded that there was important work to be done to address HIV discrimination in primary care settings, as doctors there may not be so familiar with people who have the virus.

In Hove and in Brighton, we have some of the most HIV-aware clinicians in the country, and our specialists are among the best in the world. However, we must not be complacent, as parts of the NHS in our area will be less HIV-aware, as we heard earlier. I urge the Minister to work with her colleagues, the all-party group on HIV and AIDS and charities such as the Terrence Higgins Trust to tackle the problem. Training for GPs and surgery staff could be one way to do so.

Medical care is not the only service needed by older people. In the same Terrence Higgins survey, fewer than one in 12 older people with HIV said that they would approach a mainstream organisation for older people for support. Age UK and the Terrence Higgins Trust are working to change attitudes and to improve understanding of HIV in mainstream social care and social networks for older people. Again, I hope that the Minister will listen to the views of people living with HIV, as her Department moves to create a social care system fit for the 21st century.

I turn next to late and undiagnosed HIV. Of all adults diagnosed with HIV in 2009, 52% were diagnosed late, when their CD4 count dropped below 350. People with the worst rates of late diagnosis are over the 50s. Recent research suggests that the majority of those people will have had previous contact with their doctors. Late diagnosis, whatever the age, is a problem; if treatment is not started promptly, it can do serious damage to the body and severely cut life expectancy.

HIV treatment is excellent, and if diagnosed promptly, one can live to an old age. It is not right that some of my constituents will not have this opportunity by being diagnosed too late to benefit from it. It even makes financial sense to treat people early; it is much cheaper to have people someone stable on HIV treatment than it is to treat them for the endlessly recurring serious conditions that can result from undiagnosed HIV. HIV treatment also reduces viral load; as a result, those who are diagnosed and on treatment are less likely to pass on the virus.

Now is the time, while we are focusing on public health and while we are worrying about public finances, to take action to tackle late diagnosis and undiagnosed HIV. I am proud to say that people in Brighton and Hove are not sitting back waiting for someone to come up with a solution but are already working hard to tackle the problem. There have been two pilot studies in our area looking into ways of reducing undiagnosed HIV, using clinicians in the area. Of 596 people tested, only two positives were found. However, even more people were identified through an anonymous survey done by the university of Brighton. I urge as many people as possible to be tested, because of the 3,872 anonymous tests 54 were positive.

My constituency is proof that HIV can affect anybody, whatever their background, age or sexuality. As more people with HIV grow to old age, we must ensure that they receive services of which we can be proud. Such services should include prompt diagnosis.

3.6 pm

Ian Austin (Dudley North) (Lab): I am delighted to take part in this debate. First, it gives me the opportunity to congratulate my hon. Friend the Member for Inverclyde (David Cairns) not only on securing the debate but on the important work that he does in chairing the all-party group on HIV and AIDS. Secondly, it gives me the

opportunity to recommend to the Minister the work of Summit House Support. It is a fantastic charity, led by its chair Claire Pennell and its chief executive Suzanne Callen; for the last 18 years, the organisation has provided phenomenal services and support for people with HIV and AIDS in Dudley and Sandwell.

Thirdly, it gives me the opportunity to thank the Minister and her Department for the support that Summit House receives from the Department of Health through the Dudley and Sandwell primary care trusts. Finally, it gives me the opportunity to raise a number of points that I know are of interest to the staff at Summit House Support and those who work in the field.

I am delighted that the Secretary of State for Communities and Local Government has written to local authorities promising to increase spending on AIDS support over the next 10 years—I understand by £10.5 million. Is the Minister able to tell us how organisations in the HIV sector such as Summit House Support can safeguard the way in which local authorities decide to spend their grants? Will there be criteria for allocation, a needs assessment or some sort of ring-fencing process that considers the real needs of those with HIV? We have heard that is often a hidden group, so it needs to be done through specialist agencies, and it is fair to say that some of those working in the field are extremely concerned that money could be sidelined for other uses by local authorities if things are not monitored correctly.

As my hon. Friend the Member for Inverclyde said, people living with HIV are worried about the GP commissioning proposals now being considered. HIV is clearly a specialist area, and GPs historically have not had much interaction with those who have to live with it. In some cases, there is not the relationship of trust that should exist. Many people living with HIV are genuinely frightened or concerned about the proposals.

The current sexual health strategy will end shortly. What plans do the Government have to write a new strategy, given that the sexual health agenda has changed since 2004? Has the Minister also considered the extent to which NHS employees are routinely trained in HIV routes of transmission? I understand from the service users I met at Summit house that staff who have received such training and who understand the facts about transmission and infection are likely to be able to deal with people infected with HIV more effectively than those who have not had such training. Does the Minister think that training in HIV routes of transmission should be incorporated into employees' standard training if is not already part of it?

Finally, would the Minister be prepared to visit Dudley to see first hand the fantastic work done at Summit house? If her diary does not allow her to do that, would she be prepared to let me bring people from Summit house to meet her in London?

3.10 pm

Stuart Andrew (Pudsey) (Con): May I say what a pleasure it is to serve under your chairmanship, Mr Leigh? I congratulate the hon. Member for Inverclyde (David Cairns). I am rather reassured that, after seven years, he does not know how these debates are chosen, because I certainly do not have a clue after seven months.

This is a significant day. It is a day to remember those who are no longer with us; it is a day to acknowledge and pay tribute to those who have worked so hard on this issue; and, crucially, it is a day to raise awareness. On the first of those issues, the scars on those who have lost people, particularly in the early years, are clearly raw. Thankfully, I do not know anybody who has died from AIDS, but I have friends who do, and they recall the pain and suffering vividly.

It is important that we remember those who have died and acknowledge their suffering. There is a wonderful quote in the film "Philadelphia", where someone says that social death precedes physical death. That was certainly true in the early days, but I hope that things will get a lot better as time goes on. It is important, however, to look at how far we have come.

This is also a day to acknowledge those who have done so much. I pay tribute to each and every person and organisation for their work. There are too many organisations to mention, but I would like to pay tribute to the National AIDS Trust and the Terrence Higgins Trust. I would also like to mention two individuals. The first is the chief executive of the Terrence Higgins Trust, Sir Nick Partridge, who is here. He has done a tremendous amount of work over the years, and he should be acknowledged. The second is Lord Fowler, and I was pleased last night when he was acknowledged for the work that he did in the very early years.

Perhaps most importantly, today gives us an opportunity to raise awareness of HIV and AIDS here and abroad. I know that we are concentrating on the UK today, but I hope that we will have an opportunity to talk about the issues abroad, because they are significant.

The latest figures from the Health Protection Agency show that more people than ever are living with HIV. Last year, there were more than 6,000 new diagnoses, which is fewer than the year before, but only slightly. That emphasises that this is still a major problem. As many Members have mentioned, statistics also show that slightly more than half of new diagnoses are among heterosexuals, but the rate of infection in the gay community is still very high. Worryingly, there is an increase in diagnoses among those over 50, as my hon. Friend the Member for Mid Derbyshire (Pauline Latham) rightly said. We have also heard about the quarter of people with HIV who are undiagnosed. That is a huge problem, which really needs addressing.

I represent a constituency in Leeds, where the prevalence of HIV cases is average for England, with about 850 people receiving treatment and care in the city. Again, however, many of those people have been diagnosed very late, which highlights the need for early diagnosis. We also have a growing African population in the city, and there is a real link between HIV abroad and in the UK, as more and more people move around the world. In addition, we have one of the most vibrant gay scenes in Yorkshire, and I hope that we can encourage as much focus as possible on those two groups, because prevention really is the key.

It is important to mention the campaigns of the 1980s. The Conservative Government of the mid-1980s faced a massive challenge on an emerging issue, and even the best experts were learning day to day. Those campaigns were scary. I was at school at the time, but I

[Stuart Andrew]

remember them, and they still have an impact on me. As the hon. Gentleman said, those old campaigns were not exactly targeted, but they were highly effective.

Developments in medicine these days mean that people with HIV can expect to live well into old age. This generation could be forgiven for thinking that the problem has gone away, and that is a big problem, particularly in the young, at-risk groups. In the 1980s, HIV had already taken root among gay men in this country. Meanwhile, a devastating HIV/AIDS epidemic was about to take off in Africa, with inevitable consequences for this country and others. It is now estimated that, by 2012, there could be close to 100,000 people with the virus in this country. That is a tenfold increase on the 1980s figures, so the problem has not gone away.

I pay tribute to groups such as CHAPs, which have worked with community groups all over the country, and I am lucky that we have such groups in my constituency. *[Interruption.]* I notice, however, that I need to get a move on, so I will get rid of some of the pages of my speech.

Let me quickly say that I am delighted that we are highlighting some of the work that has been done over the past few years, although I should emphasise that work still needs to be done to save lives. There needs to be foreign aid, education and greater testing. Let me also say how happy I am that HIV and sexual health have featured highly in the public health White Paper, and that is important. It is also important that we acknowledge the problem in socially disadvantaged cases.

Finally, there is no one silver bullet when it comes to preventing HIV transmission, but we can, through a range of interventions, start to reverse this epidemic. Like the Government of the 1980s, the coalition faces a considerable challenge in tackling HIV. Unlike that Government, however, the coalition can draw on 25 years of experience in dealing with the epidemic and in understanding what works and what does not. I wish them well.

3.17 pm

Mr Virendra Sharma (Ealing, Southall) (Lab): I congratulate my hon. Friend the Member for Inverclyde (David Cairns) on securing a debate on such an important topic. HIV policy has long been close to my heart, and it is a pleasure to be able to speak in the debate. It is important that I can speak on an issue that affects my constituency so greatly. Although we are discussing the effects of HIV in the UK, we cannot do so in isolation; we need to discuss many global issues as well, and I am sure that we will have an opportunity to do so. Today, however, I want to address issues relating to the UK and particularly to my constituency.

Ealing primary care trust has the seventh highest prevalence of HIV in a country that has more people living with the disease than ever before. Rates of new infections in the UK remain high, and, as my hon. Friend said, the number of over-50s infected with HIV trebled between 2000 and 2009. It is obvious that a new policy has to be developed to deal with these pressing new issues.

One of the most important factors in this complex issue, which we must acknowledge straight away, is diagnosis. Roughly one in four people with HIV in Ealing do not even know that they have it. That is roughly the same ratio as at the national level. When HIV is discovered early, people can be treated and go on to live normal lives with near-normal life expectancies. On the other hand, late diagnosis leads to more AIDS-related illnesses, increased pressure on the NHS and a higher rate of onwards transmission. We have too high a rate of diagnoses being made at a point when treatment should already have started. As hon. Members have said, in 2009, 52% of people diagnosed with HIV were diagnosed too late, and 73% of those who died were diagnosed too late as well.

What can we do to ensure early diagnosis for all cases of HIV? The Health Protection Agency believes that all new members of GP surgeries in PCTs with high prevalence rates, including Ealing, should be offered an HIV test. We need to go further, and provide incentives to GPs and other health care workers to encourage HIV testing. We also need to improve antenatal testing. We already have good provision for HIV testing of unborn babies. Even though one in 450 women who give birth is HIV-positive, only 30 babies born last year had the virus. However, we could go further.

I want to comment briefly on the growing link between HIV cases and mental health. Obviously, meeting the mental health needs of a population is important in itself, but concentrating on people with HIV can have a particularly beneficial effect, both clinically and in cost-effectiveness. People with depression have a more adverse reaction to their HIV treatment in general. It is cheaper for the NHS to invest in 10 sessions with a clinical psychologist than to pay for costly treatments further down the line because someone did not take the initial treatment properly.

Those sufferers receiving the right psychological support are less likely to miss their medication, more likely to react positively to treatment, and less likely to pass on the disease by engaging in unsafe sex; such aspects of the matter can cost more in the long run if the right support is not established immediately on diagnosis. It is therefore important for the Department of Health to integrate HIV sufferers into long-term mental health strategies.

Although I am pleased that drugs for HIV sufferers will be ring-fenced in the health budget, social care and protection for HIV sufferers, which is often provided through local authorities, will not be. Social services are hugely important for people with HIV, and a squeeze on their budget is likely to have a detrimental effect on the mental health status of many HIV sufferers and cost much more in the long term. I am aware that through the CSR an announcement was made of an increased allocation to social care for people with HIV.

I now want the Department of Health to inform local authorities of their likely budgets as soon as possible, so that councillors can start to plan a thorough care plan for people living with HIV. Only through that long-term planning for mental health cases, more social care and a greater push for early diagnosis can we really start to tackle the problem of HIV in this country, and ensure that nothing stops people with HIV living normal lives.

3.23 pm

Pauline Latham (Mid Derbyshire) (Con): I am delighted to be speaking under your chairmanship, Mr Leigh, and I congratulate the hon. Member for Inverclyde

(David Cairns) on obtaining this timely debate on world AIDS day. What is good about the debate is the unanimity between the parties. We often have heated debates, but we all appreciate the importance of today's debate for people suffering from HIV/AIDS.

Now that the recent tough economic choices have been laid on the table, we are able to take an opportunity to review what is and is not working in the UK and try to make improvements. HIV/AIDS is a serious virus that poses a risk not only for those who are already suffering from it but also those around them. The ease of transmission of the disease means that, if we do not bring the number who have it back down from 83,000 or so, we run the possibility of letting the virus dictate our actions, instead of taking pre-emptive measures. Unfortunately, as a member of the Select Committee on International Development, I have seen at first hand that once the virus gets into sections of society where it becomes more prevalent, it can, left unchecked, destroy countless lives and families.

Britain is a world-leader in international development, and central in the international community's voice and actions against HIV/AIDS worldwide. However, to be a credible voice and to make an inroad into the virus worldwide we need a credible tactic of beating the virus at home. Funding has been flatlining in recent years and we risk, if we are not careful, losing more than two decades of progress that has been made in fighting the epidemic.

The White Paper offers more flexibility to the health service, by offering GPs more control over the budgets that they inherit and how they spend the money allocated to them. Perhaps outlining the financial rewards of early screening will help to strengthen the argument. The Health Protection Agency recently estimated that the prevention of one new HIV infection saves the public purse between £280,000 and £360,000 in direct lifetime health care costs. That is a staggering amount per new diagnosed case. In 2008, had all of the UK's 3,550 acquired infections been prevented it would have saved approximately £1.1 billion in direct health care costs.

Alternatively, we can look at the money that could be made, not saved, by early diagnosis. People living with HIV who have an early diagnosis can contribute wealth to the nation by staying in work for longer and therefore paying more in taxes; they are able to manage their health better, which results in their taking fewer days off sick. They can plan for their financial future so as not to require incapacity benefit in such large numbers, and by having quick access to antiretroviral drugs they can ensure that they do not require full-time carers, who are often family members, for so long. Their family can therefore go out and work and contribute to the national purse.

Of course, financial reward is not the only benefit of diagnosing HIV early. The significant social benefits to early diagnosis are equally if not more important. For instance, a 35-year-old male diagnosed early with HIV, and with quick access to antiretroviral therapy, would now be expected to live to 72—only a few years less than someone who would be deemed a perfectly healthy man.

Early diagnosis enables people who are HIV-positive to take positive steps in protecting others through safe sex. A recent study of newly diagnosed HIV-positive men who have sex with men reported that 76% had eliminated the risk of onward transmission three months after diagnosis. If the test comes back negative, of course, it allows the recipient a wake-up call and a chance to change their habits and think about the risks that they have been taking. In that way they are more than likely to help to prevent a future case of HIV in the UK.

Early diagnosis also allows the correct antiretroviral drugs to be prescribed. That in turn reduces the viral load and subsequently reduces the chances of transmitting HIV. By giving people the opportunity to take quick and effective measures against the virus we are putting them back in charge of their lives; they are not having their lives dictated by HIV. I should like the Minister to take note that women, and indeed men, who have been raped should automatically be monitored to ensure that if they suffer from HIV/AIDS it will be diagnosed extremely early; that is not something that they have chosen.

The truth of the matter is that the male gay community and the black African community are most susceptible to HIV infection owing to cultural sexual practice. There is a role for civil society in bringing UK levels of HIV down by bringing early diagnosis to those groups and deconstructing the stigma attached to screening for the virus. Everyone gets scared, intimidated and embarrassed from time to time and those natural feelings might be a barrier, preventing people in those at-risk communities from seeking early diagnosis.

Coming out of the financial turmoil of the past few years, it is important that we should take every opportunity that is given to us to make positive changes to the previous norm. We have the opportunity to put early screening at the heart of the public health White Paper and to create a social practice in which the stigma of screening is broken down through the participation of civil society. However, I believe that there is only one mention of HIV/AIDS in the White Paper. I simply ask that we do not let the opportunity slip away. Positive changes to the current HIV strategy can and should be made: most importantly, they need to be made.

3.29 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I am pleased to have the opportunity to speak in this important debate on world AIDS day, and I congratulate my hon. Friend the Member for Inverclyde (David Cairns) on securing the debate.

Let us remember that some people who are suffering from HIV/AIDS, or suspect that they are, will have supportive partners, be in supportive communities and face the future with some positivity. Many, however, will be very frightened and very alone. It is a good thing that we in this Chamber can openly debate this issue and its ramifications, because it will reassure not just communities, activists and lobbyists but individuals who may read and see the debate this afternoon.

We must remember that we have moved some way since the early frightening adverts in the 1980s. No one who saw those adverts, with the tombstones collapsing and the voice of doom, has ever forgotten them. We should congratulate Norman Fowler on taking up the cause and using the power of his Department to put it in front of the public.

[Ms Diane Abbott]

When we look at some of the indices around HIV/AIDS, we see that there has been an increase in HIV testing among gay men. Testing rose from 58% in 1997 to 72% in 2008. We have seen a plateau in new diagnoses among gay men, and we now see a consistently high rate of condom use among them—at least nine out of 10 now use condoms. The fact that we have seen such progress is partly a tribute to the people who took up the issue all those years ago. It is also a continuing tribute to the communities, activists and health providers who provide both care and commitment, and we need to acknowledge that today in this debate.

However, there is still some way to go. How we go forward on HIV/AIDS will be a test of the reorganisation of both the NHS and public health that has been announced in recent months. In principle, I do not think that anyone in this Chamber is opposed to the reorganisation, but it is just this sort of issue, which is not consistent across the country, that is not necessarily well represented in GPs' lists and has different levels of information across the country; there may not be as much information in rural areas as there is in Brighton and London. That will be a test of the reorganisation's effectiveness.

We know that AIDS can affect anyone, and that apart from the gay community the largest community affected by HIV/AIDS is that made up of black African men and women; currently, 38% of new HIV diagnosis is among that group. The stigma attached to HIV in that community cannot be overstated, and it very much hampers efforts to reach out to people and achieve early diagnosis.

The problem among black African men and women—and among other groups, as well—is that they present late and are therefore diagnosed late. That not only gives them a poor prognosis; it means that the cost of treatment is much more expensive than it need be. That is true of any individual or any group that presents late.

Another issue with black African men is that, even though they may be having sex with men, they refuse to consider themselves as gay. They think that HIV is something for the gay community and not for them, so they end up presenting very late indeed. They are more likely to be undiagnosed and to live in areas in which a relatively high proportion of the population are not on their GP's list, so they are not really interacting with the authorities.

I should like to use this debate to stress the importance of educational and informative work generally and with the black and African community in particular. We must do more with the Churches, because that is probably the most effective way to reach those groups. Any Sunday morning, there will more people in African-led churches in Hackney than at any political party meetings for 12 months of the year.

We need to normalise testing and offer it in a much wider range of settings—not just for black and African men and women, but for the population as a whole. I was routinely tested when I had my son 19 years ago and thought nothing of it. We need to make testing more routine so that people do not think, "If I go for this test, it will badge me as someone at risk." Universal testing may well be a step too far, but we need to make testing available in a wider range of contexts.

My hon. Friend the Member for Inverclyde said that he did not want to talk about international issues, but given that 38% of new HIV diagnosis is among black African men and women, I do not apologise for raising the issue of funds for the Global Fund to fight AIDS, Tuberculosis and Malaria. I know that that is not a matter for the Minister and I do not expect her to respond on the specific point. None the less, will she pass on to her colleagues the very concerning fact that the global fund is £13 billion short of what it needs? If the UK was to raise its pledged amount in line with France and other western European countries, the fund would be able to go to private sector donors such as the Gates Foundation and reach the amount of money it needs.

In that context, I should like to mention—again, I do not expect the Minister to respond on this point—that in the next few weeks we will have EU trade talks with India in Brussels. There is a great concern that as a consequence of the trade talks, India might not be able to produce the cheap generic drugs that have played such a huge role in the fight against AIDS in Africa. That would be a blow not so much for Indian industry, but for the millions of people in Africa who have benefited from access to cheap generic drugs.

HIV/AIDS is no longer a death sentence, which is good news. Thanks to new drugs, research and greater understanding, people are now living with HIV. As one of my hon. Friends said earlier, we have 65,390 people in the community living with HIV. In fact, it is increasing faster among the over-50s than among any other group, which raises new issues that were not considered in the era of the adverts with the crashing tombstones and the voice from above.

My hon. Friend the Member for Ealing, Southall (Mr Sharma) mentioned the issue of depression and how that interconnects with sufferers of HIV/AIDS and the support that they need in relation to that. There are ongoing concerns about care and support that were not an issue 20 years ago. If we are to offer sufferers from HIV/AIDS equity of health care and, as far as possible, a good quality of life, we must consider care and support, within the new health service and local authority structures, as we have not in the past.

As I said at the start of my remarks, the reorganisation of the commissioning of health care and of the public health service will be tested by this issue. Many ordinary people on the ground will judge the reorganisation by how issues such as this are dealt with. I stress, as my hon. Friends have stressed, the importance of a national strategy. We need to consider how it can go forward under the new arrangements. Will the Minister tell us who will be responsible for commissioning and funding the information work that is needed now more than ever—in particular, the specific education work that goes into the communities that I have mentioned? Who will be responsible for commissioning preventive work, care, treatment and support? I will listen with interest to the Minister's responses to those questions.

I welcome the new public health arrangements in principle. Public health has been a core activity of local government since the 19th century and so, as a former local councillor, I am glad that public health has "come home" to local authorities. However, because I know

local authorities and how they work, I want to be convinced that it is possible effectively to ring-fence the public health funds that they will receive.

I imagine that what some local authorities will do—or will be tempted to do, conceiving themselves to be under financial pressure—is to rebadge existing work in the areas of social care and environmental health as public health expenditure, and the new funds that all of us in Westminster Hall imagine are there for public health will melt away in the current climate. So this will be a test, as much as anything else, of how far it is possible effectively to ring-fence public health funds once they fall to local authorities.

Then there is GP commissioning, and the issue of HIV/AIDS will be a test of that system. The important thing with GP commissioning is that GPs should commission for their community and not for their list. As an east end Member of Parliament, I know that there are many public health issues that manifest themselves more extensively among people who are not actually on GPs' lists, for a whole number of reasons. Tuberculosis is a case in point. A disproportionately high number of people who suffer from TB are not on a GP's list, for a number of reasons. HIV will be a test of the extent to which GP commissioning consortiums will commission for the community as a whole and not just for the people who are on GPs' lists and present themselves for treatment.

It will be important to know what will happen to some of the survey work that is carried out by organisations such as the London Health Observatory; I had a meeting with representatives of that organisation this morning. That survey work is the only way of seeing what the trends are in issues such as HIV. It is easy for us to say this afternoon that 43% of HIV/AIDS sufferers are in London, many more are in Brighton and so on. However, we live in a globalised environment and there are trends and changes. Only survey work—not only national survey work, but sometimes precise survey work—can track what is really happening with HIV/AIDS.

Jim Shannon (Strangford) (DUP): I understand that some of the figures that have been released in the past year for those who have just been diagnosed with HIV show that it is not just a young person's disease any more; it also affects those who are 50-plus or 55-plus. I wonder whether the hon. Lady is aware of that. If she is, what does she feel should be done to address that issue of those in an older age bracket who are now succumbing to the disease?

Ms Abbott: That is an important point, and it is one that I touched on earlier. It shows that anyone can find themselves—

3.42 pm

Sitting suspended for a Division in the House.

3.51 pm

On resuming—

Ms Abbott: In conclusion, I congratulate all those who have campaigned, worked and raised consciousness on this issue over 20-odd years. Improvements have been made, partly through the efforts of communities and campaigners and partly through the commitment of people in the House, but we face new challenges due to the reorganisation of the NHS and the fact that a generation of people are now living with AIDS.

I look to the Minister to answer some of the questions asked in this debate, particularly about how the reorganisation will affect the treatment of HIV/AIDS, and to reassure us that the information needed in a range of communities will be publicised. I will listen with interest to her response.

3.52 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): It is a pleasure to serve under your chairmanship, Mr Leigh; I do not believe that I have been in this position before. I am grateful to the hon. Member for Inverclyde (David Cairns) for securing this debate. I congratulate him on his chairmanship of the all-party parliamentary group on HIV and AIDS, and I congratulate the group itself on continuing to raise awareness in Parliament, in the UK and internationally.

Today, as we all know, is world AIDS day, so this debate is timely; I believe that Mr Speaker has some influence over when debates occur. It is an opportunity to reflect on what we have achieved, where we stand and the challenges ahead, many of which have been mentioned. I thank my hon. Friend the Member for Pudsey (Stuart Andrew) for his gracious comment that this is a chance for us to pay tribute to those whom we have lost along the way to the present improvements in life expectancy for those with HIV/AIDS. A dear friend, Eric, with whom I worked in the 1980s, died from AIDS; I am sure that many of us know people who lost their lives. It is so tragic when we consider the advances made.

The hon. Member for Inverclyde focused on the situation in the UK. The hon. Member for Hackney North and Stoke Newington (Ms Abbott) mentioned the global situation. It is important to note that the number of new infections decreased by 19% between 2009 and 2001. Today, more than 5 million people have access to life-saving antiretrovirals. That is more than a thirteenfold increase in five years, but significant challenges remain. More than 33 million people are living with HIV, 2.1 million children are infected and the World Health Organisation estimates that at least 10 million people still need treatment. There is a great deal more to be done, and no room for complacency.

I would like to mention my noble Friend Lord Fowler, and welcome the announcement of next year's inquiry into HIV and AIDS. Like the hon. Member for Inverclyde, I am old enough to remember when the disease came on the scene. A great friend of mine, a professor of virology who went over to the States, came back and said that it was extraordinary to see an acquired deficiency, as the disease's name suggests. He talked about a curious illness that people were getting.

At that time, a tremendous amount of work was being done by many people, not least my noble Friend, to fight HIV/AIDS. It is still a powerful model for public health campaigns; we cannot forget those tombstones. Such images enabled a lot of the preventive work from which we still benefit. I reassure the hon. Member for Inverclyde that mass communication had an effect. The rate of sexually transmitted diseases decreased across the board. However, he also mentioned targeted messages, which is where we need to focus our efforts.

[Anne Milton]

Although prevalence is relatively low in the UK population as a whole, some groups are disproportionately affected, including men who have sex with men, and black African communities. In 2009, they accounted for 42% and 36% respectively of the 65,000 individuals living with diagnosed HIV infection. However, as my hon. Friend the Member for Hove (Mike Weatherley) rightly pointed out, stereotypes are dangerous, and the figures that I have quoted must be used with caution.

3.56 pm

Sitting suspended for a Division in the House.

4.4 pm

On resuming

Anne Milton: My hon. Friend the Member for Hove also mentioned the specific problems with late diagnosis, which I shall return to. The outlook for most people with HIV in the UK is more positive than it used to be, and the vast majority can now plan for their future with a great deal more certainty, which is to be welcomed. We must not forget that we have the dedicated work of many scientists around the world to thank for that, along with action from Governments from both sides of the House.

However, challenges remain. As Members have pointed out, despite our successes, a quarter of people with HIV do not know that they are infected and so are unable to benefit from the treatment available, and they can unwittingly infect others. Around half of the newly diagnosed infections are diagnosed late, after the point at which people should have started treatment. The hon. Member for Ealing, Southall (Mr Sharma) raised that as an ongoing and growing problem, along with the fact that many of the people affected have serious mental health problems. The mental health and well-being of people with HIV and AIDS is seldom mentioned, but it is extremely important to recognise.

I share the concerns raised in the debate about the need to reduce the number of people with HIV who are undiagnosed or diagnosed late. We need to increase testing, especially in those areas that have a higher prevalence of HIV. We have seen a good uptake of HIV testing in sexual health clinics and antenatal settings, but all health care professionals need to be alert to the importance of offering appropriate HIV tests.

Ms Abbott: Does the Minister have any practical proposals for increasing testing, such as different contexts in which it can occur?

Anne Milton: I thank the hon. Lady for raising that point, which is important. I will return to it later in my remarks. The hon. Member for Cardiff Central (Jenny Willott) mentioned the automatic testing when she had her baby. The Department of Health has funded eight pilot projects, which have now been completed, that looked at the feasibility and, importantly, acceptability of providing an HIV test as part of routine services offered to newly registered adults. I am encouraged by the findings from those projects, which confirm that offering HIV tests in GP practices, hospitals and community settings is acceptable to patients.

The pilots picked up a significant number of previously undiagnosed people in high prevalence areas. It is good news that people are happy to be tested, because it means that we can pick up cases of HIV that would otherwise be missed. We are working on the best approaches to expand HIV testing in a variety of settings and, as the hon. Member for Hackney North and Stoke Newington said, that is really important. If a wide variety of settings was available, a GP practice is not necessarily where people would go for a test—far from it, I would say.

I am also pleased to note that, thanks to the leadership and drive of local HIV clinicians and others, findings from the pilots in Brighton, Lewisham and Leicester have now been embedded in local practice, which is to be congratulated. The Health Protection Agency will publish its final report on the pilots early next year, which many people will look forward to seeing. We need to see what we can do to put into practice what we have learnt. It is vital to increase testing for HIV, as it is for a number of sexually transmitted diseases, so we continue to fund targeted programmes for the groups most at risk from HIV in the UK. We have also funded the Medical Foundation for AIDS and Sexual Health to provide training resources for health care professionals in secondary care.

I would like to thank the hon. Member for Dudley North (Ian Austin), who kindly sent me a note to explain that he has had to leave the debate, for raising the work of Summit House Support. We will be looking at the findings of the pilots I have mentioned, and I would certainly not like to miss an opportunity to go to Dudley, should the opportunity arise, to have a look at what Summit House Support is doing.

For HIV, as for all STIs, prevention remains the most important response. In the UK, the majority of HIV infections are sexually transmitted, and the vast majority of those could have been prevented; that is a message that we really must hang on to.

4.9 pm

Sitting suspended for a Division in the House.

4.15 pm

On resuming—

Anne Milton: We need to ensure that safer sex messages are clearly communicated and understood by all.

I think that we also have to clamp down a bit on irresponsible marketing. I have been approached by those who are unhappy about the promotion of DVDs and other material promoting "bareback" sex. We need to address such issues and I know that a lot of people and organisations, such as the Terrence Higgins Trust, are doing all they can to stop the promotion of such material. To those who are most at risk of HIV in the UK, I say that the Government work very closely in partnership with the Terrence Higgins Trust, the African Health Network and a huge number of other voluntary and community groups.

Yesterday, we published a White Paper on public health and later this month we will publish a number of supporting documents, including a public health outcomes framework. We will be thinking about what the best outcomes might be for HIV and they will be included in

that document. I know that Members will look at that document with care and feed back to us their feelings on it. In the spring, we will publish a position paper on sexual health which will, of course, include HIV. That paper will take into account many of the issues that have emerged this afternoon.

David Cairns: I will let the Minister catch her breath and I appreciate that we are really up against the clock. She says that there will be a position paper in the spring. Does she envisage that that will lead to a full new HIV strategy, or will it just remain a position paper?

Anne Milton: No, it will be a sexual health strategy. The Government and the NHS need to play their part, and we need to support individuals to make responsible lifestyle choices. We continue to provide the very best HIV treatment services, but others have a role to play and they are often better placed than the Government to make a difference. The hon. Member for Hackney North and Stoke Newington mentioned the role of churches in that regard and they can have a significant impact.

Voluntary community groups, industry, responsible media, churches and faith groups all have a part to play. That collaboration is so important in tackling stigma and discrimination, which is still a very real issue for many people affected by HIV. That is particularly important within those communities who find sexual health issues more challenging than other communities.

Stigma means that people refuse tests, do not take precautions and do not go for treatment. I was delighted to see that the Prime Minister highlighted the issue of stigma in his world AIDS day podcast. Tackling HIV is everyone's business and we can all make a difference to reduce stigma, reduce new infections and enable people living with HIV to lead full and productive lives.

The hon. Member for Inverclyde raised issues about global funds. I am sure that he will also raise those issues with my colleagues in the Department for International Development. However, as my ministerial brief also covers EU health, it may be of note for him to realise that such issues are recognised by many people within Europe and across the world, and we continue to work both nationally—within our own member states—and internationally, because collectively we can do a great deal to help each other.

The hon. Gentleman also said that generally a one-size-fits-all approach does not work and, as my hon. Friend the Member for Hove said, anonymous testing and treatment is often crucial. We will announce our commissioning intentions soon. However, the hon. Gentleman's point is well made.

I think that it was the hon. Member for Dumfries and Galloway (Mr Brown) who mentioned the issue of commissioning services in rural areas, which poses particular challenges and very real problems. It is absolutely crucial that we get that commissioning right. We will announce our intentions soon and I hope that they will address some of the points that he raised.

We need to talk about sex. We need to talk about people's sexual health. We need to talk about people's responsibilities in looking after their sexual health, and we all have something to offer and we all have something that we can do personally, particularly those of us who are Members of Parliament. As MPs, we have unprecedented access to media, particularly in our local areas. We need to do everything that we can to express the fact that this is everybody's business and that people need to take responsibility for their sexual health. Their sexual health not only affects them; it affects the others around them and their families too. Only then will we be able to see a future for people living with HIV/AIDS that we all want to see.

Metal Theft

4.20 pm

Mr Tom Watson (West Bromwich East) (Lab): It is a pleasure to serve under your chairmanship, Mr Leigh. You remain the fastest voter I have ever seen, so if there is another Division I will attempt to keep up with you.

I am here to talk about

"the second biggest threat to our infrastructure after terrorism".

Those are the words that Paul Crowther, of the British Transport police, used to describe the growing problem of metal theft in the UK. It is my contention that, if al-Qaeda or militant student demonstrators perpetrated some of the attacks to critical UK infrastructure on the scale and frequency that we are currently seeing, the Home Office would be taking this matter far more seriously than it currently appears to be taking it.

4.21 pm

Sitting suspended for a Division in the House.

4.28 pm

On resuming

Mr Watson: Whether it is copper from the side of a railway line, broadband cable, a drain gully or lead flashing from a school roof, not a day goes by when metal theft does not feature in the daily crime roster for police in the UK's towns and cities. I seek to make the case to the Minister that metal theft is a national problem needing urgent attention. It is eroding our critical infrastructure and therefore the economic capacity of the nation. After outlining the issues, I will make the case for the need to collect more accurate data on metal theft incidents, for amending the Scrap Metal Dealers Act 1964 and for protecting uniformed British Transport police. I will also make the case for new regulations to deal with the rise of unscrupulous dealers in precious metals.

The Minister has gained a reputation for being hard-working and fair-minded. I hope to convince him to focus in the coming months on the increasing problem of metal theft. Many businesses and police officers to whom I have spoken are frustrated with the progress made in the past, including—dare I say?—under my own Government. Six months into the coalition Government, I hope that he has found his feet and will be able to move up a gear in that policy area.

The Home Office line appears to be that the police have the necessary tools and powers to tackle metal theft: I will make the case that they do not. The problem is great for two important reasons: soaring commodity prices and the ineffectiveness of the Scrap Metal Dealers Act 1964. In the past two years, for example, the price of refined copper has more than doubled on international markets. Part of the problem faced by the Minister is that his Department has found it difficult to understand the scale of the problem because it has not collected the appropriate data.

Using the Freedom of Information Act, I have undertaken a comprehensive assessment into the effects of metal theft in local authorities up and down the country in 2007, 2008 and 2009. It is not an exact picture, but it provides a more comprehensive view of the scale of misery caused by metal theft throughout the country. The results are shocking, but since a number of authorities have not responded to my FOI request, I fear that my newly compiled figures are just the tip of the iceberg.

We found 1,873 reported instances of schools being targeted by metal thieves, predominantly for the lead from their roofs. We know that 185 leisure centres and 156 community centres have been targeted, as have—shockingly—71 cemeteries and crematoriums. Thirty-three local authorities told me that metal theft has cost them more than £100,000 in insurance claims and repair costs. My borough of Sandwell has suffered the highest losses of any authority—more than £720,000. It is closely followed by Leicester, which lost £530,000, and Greenwich, which lost more than £470,000.

Last October alone, Sandwell council lost £20,000. Such thefts have cost Sandwell, and councils in Birmingham, Wolverhampton and Walsall, nearly £1.6 million over the past three years. The scale is huge and it is getting bigger. It is not taking place just in the country's metal-bashing heartlands: the London boroughs of Greenwich, Sutton, Bexley, Bromley, Barking, Dagenham, Enfield, Havering and Redbridge estimate that between them, they have lost £1.9 million as a result of metal theft.

Anything can go. Three stainless steel slides were stolen from Birmingham, and the city also lost £30,000-worth of goal posts. Durham council raised 97 repair orders for its schools, and admitted that that may not even begin to dig into the problem. Sheffield lost a swimming pool roof that cost £200,000, and Thurrock council lost the eternal flame from the East Tilbury war memorial. The cost of replacement was so great that a fibreglass replica had to be made.

More worryingly, I have uncovered an increasing problem of thieves targeting our key infrastructure networks. The most recent police estimate of the cost of such thefts to communication, energy, transport and water industries is £770 million per annum. This year alone has seen more than 5,000 reported thefts from the railway, gas and electricity networks. Such thefts have resulted not only in the loss of services to vulnerable customers, but have included attacks on 999 services and communication services that are provided to the various police forces and military establishments.

In the past six months, BT has seen more than 900 attacks on its network, which has affected more than 100,000 customers. It has lost more than £5 million in the past year, and on current trends, it looks as if it will lose £6 million in the current financial year. In one attack in Scotland last week, 32 tonnes of copper cable were stolen in a single night. Energy company E.ON faces similar problems. Last year, substation theft cost the company £1.3 million, and by the end of May it had already seen 175 reported incidents. The figures speak for themselves. It is not just the monetary cost that is worrying, but the danger in which the thieves are putting both themselves and the engineers who work for companies such as BT and E.ON, through their illegal activities.

Today, Gwent police superintendent Harry Gamlin, head of the taskforce that deals with metal theft in Wales, said that the problem is now so bad that it threatens to "fracture social cohesion." He added:

"There is a common perception of metal thieves being loveable rogues, old-man-Steptoe-type characters...People need to wake up to the fact that they are in fact highly organised and skilled gangs of criminals who more than likely have links to other forms of serious and organised crime."

The taskforce in Wales is a welcome step, but tougher laws are needed.

It is not just the seasonal "wrong type of snow" and leaves on the track that are holding up our train network: commuters now have to contend with the regular misery of year-round signalling thefts. Network Rail tells me that commuters and operators have lost 19,417 hours in delays since 2006-07. Overall, it estimates that it has spent £35 million since then on metal theft-related crime. That includes £25 million of schedule 8 costs. That is £25 million that could have been spent on improving the railway network that has been diverted to essential maintenance because of metal theft alone.

I travel to Westminster from Sandwell and Dudley station every week. Between September 2009 and this October there have been five serious incidents of cable theft in the Tipton area alone and I have been late for meetings and nearly missed votes. These incidents in Tipton caused £485,000 worth of damage to the rail network causing hundreds of hours of delays for commuters. I find these figures staggering. Across the whole of the west midlands in the last 18 months there have been 52 cable thefts on the railway causing 1,500 trains to be cancelled. I am told by Network Rail that the route between London and Scotland up the east coast is by the far the worst affected, especially in Yorkshire and the north-east. That route has recorded days on which up to 40 thefts have taken place. Commuters and British business are the people who are really losing out as metal theft soars.

I have unearthed other examples that are shocking in their scale and audacity. There are the thieves who cut a heavy copper cable used to link an MRI scanner to the main electricity supply in Northamptonshire. Thieves stole cable twice in a week meaning 70 patients had to have their diagnostic appointments rearranged. Lives could have been lost. I have been told of the sick thieves who stole two brass plaques listing the names of the Blackley men who fell during the first world war in Manchester. The community had to unite to make sure that the 215 war heroes could be honoured on Remembrance Sunday.

Just as sickening was Linda Smith's story. Linda contacted me to tell me about the theft of metal containers for holding flowers from graves from Abney park in Stoke Newington. The Minister may not be aware that the Ecclesiastical Insurance Group, the leading church insurers, report that they have received more than 7,000 claims for metal theft since the start of 2007 at an estimated total cost of £23 million.

Councillor David Sheard of Kirklees council has been in touch. He told me about the £18,000 worth of litter bins that had been stolen from the council in a single week. The case of Tom Berge who escaped a jail sentence for stealing lead worth £100,000 from some of the most historic properties in Sutton in Croydon has also been brought to my attention. He used Google Earth to identify listed buildings, churches and schools that he could target. In Sandwell, two people have already lost their lives trying to steal cabling from a disused factory after an explosion.

Five-year-old Keanu Jones of Dudley road in Tipton could so nearly have been the third life lost last week. He fell down an exposed drain when out with his mum. The cover had been stolen. It left him shaken and covered in bruises. Keanu's case is important. It highlights the fact that thieves do not just target high-value, precious and commodity metals. The resale value of what can be stolen can often be minimal. To quote Tony Glover, spokesman of the Energy Networks Association:

"It is pathetic, quite frankly. As a crime it is sometimes as little as £5, £10 or £20... But its impact is enormous – it's almost like an act of vandalism. Some of our equipment is oil-insulated and a £5 brass valve – that's all they stole – resulted in 30,000 litres of oil coming out of some equipment."

Just to illustrate the point, this week I was visited by my constituent Ravi Kumar who told me that thieves had stolen his old, rusty metal table from his front garden. Ravi had put the table out for collection by Sandwell council. Thieves looking to make a quick cash return made off with the table before the council van arrived. There is a black market price list for this stuff – £10 for Ravi's table, £20 for a stolen manhole cover, £80 for a catalytic converter. These items are being stolen because they are easy prey to thieves to sell on to rogue scrap metal dealers.

More worryingly, West Midlands police and the Black Country chamber of commerce continue to alert me to the rise in the number of burglary dwelling offences across the country in which the offenders are stealing the victim's gold or silver jewellery. There is currently no legislation covering the buying and selling of gold and silver by independent retailers, which are becoming increasingly common in most towns and cities. Despite some franchises still following good practice, in which no transaction can take place without a series of identity checks, some of the rogues are beginning to make an impact on communities.

I would like to see two minor changes to the law to tackle the problems that I have outlined. One change would deal with commodity metals such as copper, lead and brass, and the second change would deal with precious metals such as gold and silver. The Scrap Metal Dealers Act 1964 needs to be made fit for the modern age. It is outdated; it is not well understood, and, in its current form, it simply fails in its purpose.

Many hon. Members may not be aware of the legislation to which I refer. As it stands, the Act requires dealers to keep a simple book detailing all scrap metal received at the place of purchase. The book must also show that all scrap metal is either processed at or dispatched from that place. That is inadequate.

In the Sandwell area, and across the country, I repeatedly hear stories of some unscrupulous scrap metal dealers opening as early as 5 am. Cash in hand is given to the seller, and it is not unusual for them to turn up with a wheelie bin full of manhole covers. The unscrupulous scrap metal dealer, who does not check too closely where the metal has come from or who the seller is, then sells it on to legitimate dealers, who have no idea that they are buying stolen metal. In some cases, the metal is exported to the far east due to global demand. Some dealers will let sellers get away with giving their name as Joe Bloggs or Mr Smith. Scrap metal is big business, and the record keeping among rogue dealers can be very poor or even non-existent. One police force has told me that records kept by metal merchants do not always provide them with a good enough audit trail to track back such thieves, and I know police forces across the country feel the same.

Although I appreciate that recent dialogue between the British Metals Recycling Association and ACPO has resulted in the development of a code of practice,

[Mr Watson]

which includes measures that go beyond those prescribed by the 1964 Act—including requesting proof of identity, limits on cash payments and guidance on best practice for deploying CCTV—I have real doubts that those go far enough. Unscrupulous metal dealers have already made it clear that they are unwilling to abide by good practice, and a voluntary code is extremely unlikely to change the mindsets of those people in the industry. My preferred option would be to make scrap metal dealers operate under a cashless system. If thieves cannot make a quick profit, the incentive to steal in the first place would be dramatically reduced. I draw the Minister's attention to the state of Oregon, which did that in 2009. All the signs from Oregon suggest that the beefed-up regulations have caused a drop in the number of people looking to sell stolen materials. Many police forces are also seeking powers to close down suspected rogue dealers on the spot, and they want metal users to consider embossing their metal to make it less attractive to steal. I hope that the Minister will seek ways to make that happen.

It strikes me that there is a need for precious metals, such as gold and silver, to be brought within the scope of the 1964 Act. We cannot allow the situation to continue in which there is no legislation covering the buying and selling of such metals. The Black Country chamber of commerce tells me that it would like precious metal dealers to register their business with the local authority every three years; it would like to see registered dealers required to keep a written record at each precious metal store of all items received, processed and dispatched from that store; and it would like deeper proof of identity from those who sell precious metals. I support the Black Country chamber of commerce in its call, and I hope that the Minister will take its suggestions seriously.

Based on new figures that I have made public today, I believe that the Government should arrange for data on metal theft to be better collected and to be presented in a clearer format. The failures of local authorities and police forces to accurately chronicle every incident make contributions to public policy and finding solutions on this subject more difficult for Ministers and stakeholders. It is time for the courts to get tough. The Home Office should ask the Ministry of Justice to issue specific guidance on metal theft to magistrates, as the Ministry of Justice did with home repossessions.

Analysts tell me that they expect a 62% rise in copper prices over the next few years. Coupled with the Government's announced cuts to policing budgets and the fact that the future budget of the British Transport police is in doubt, that could see a further rise in metal thefts. If the UK adopted a cashless approach to scrap metal sales, I am certain that thieves would be deterred. There would simply be no quick cash incentive for them to steal commodity metals and there would be a proper audit trail. I hope that the Minister will look seriously at the proposals of the Black Country chamber of commerce on precious metals. Metal thieves erode UK resilience. They undermine communities and threaten businesses. They have to be stopped.

The Second Church Estates Commissioner (Tony Baldry) *rose*

Mr Edward Leigh (in the Chair): Order. This is a short Adjournment debate. Does the Second Church Estates Commissioner, the hon. Member for Banbury (Tony Baldry), have the permission of the Minister and the hon. Gentleman to speak?

Mr Watson: Yes.

4.45 pm

Tony Baldry: I sought the permission of everyone, Mr Leigh, including Mr Speaker. The hon. Member for West Bromwich East (Mr Watson) has done the House an enormous service and what he has had to say is truly shocking. I am grateful to him and to the Minister for allowing me to intervene briefly in this debate. I do so in my capacity as the Second Church Estates Commissioner.

Lead theft is one of the most serious threats at present to the Church of England's 1,600 churches, many of them grade I listed buildings. Indeed, 45% of all grade I listed buildings are churches, and other faiths have similar concerns. Night after night, lead is being stolen from church roofs, and thieves now use Google Earth to identify targets, including church roofs.

Since 2007, the main insurer of ecclesiastical churches has received 8,000 claims for lead theft, at a cost of about £23 million. That represents only the insurance claims; the total cost, including damage to churches, is much greater. In many instances, churches that have replaced their roofs at considerable expense have been repeatedly targeted—14 times, in the case of one church. Of course, if they have had the lead stripped from their roofs, it is often difficult, if not impossible, to get re-insured. As hon. Members can imagine, the effect on the morale of parishioners and communities is devastating.

In spite of that, there have been very few prosecutions. Congregations feel that the police regard metal theft as a victimless crime and that they are reluctant to investigate or take action, even when there is an established pattern of theft taking place on consecutive nights. I understand that the Home Office does not even record the theft of lead as a separate offence. Although some of the thefts may be opportunistic, there is growing evidence that organised gangs are involved, and the graph of the incidence of theft mirrors, with remarkable consistency, the price of lead on the world metal markets. The higher the price of lead, the more churches are stripped of it.

A number of things need to be done. Scrap metal yards need to be more regularly spot-checked by local authorities and the police. Local authorities have a responsibility to inspect the registers of scrap metal yards. The hon. Gentleman's suggestion of a cashless transaction is interesting, and I hope that the Minister will take it seriously. This is a crime that has to be taken seriously. I am sure that Home Office Ministers take it seriously and that they will ensure that it is consistently taken seriously by police forces and local authorities throughout the country.

The Church of England's Church Buildings Council, chaired by Anne Sloman, has set up a working group to address the problem urgently. It is taking evidence from police, scrap metal merchants, the legal profession and other interested parties. When it reports early next year,

I hope that the Government will consider its conclusions carefully and endorse what it has to say as a way forward.

4.48 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): May I thank you, Mr Leigh, for ensuring that this debate started promptly despite all of this afternoon's Divisions? May I also congratulate the hon. Member for West Bromwich East (Mr Watson) on securing this Adjournment debate about the important subject of preventing and tackling metal theft, and on the measured and detailed way in which he has rightly highlighted the issues? I am sure that the House will appreciate the information that the hon. Gentleman has advanced. I assure him that I regard the issue as serious. I take a personal interest in it because of my own experiences as a constituency MP. I know the impact that metal thefts can have.

May I also thank the Second Church Estates Commissioner, my hon. Friend the Member for Banbury (Tony Baldry), for his speech on churches and the challenges facing the Church community? I hope that I will be able to comment on that in the time remaining.

Metal theft is an issue about which I am concerned, and I give the assurance that the Government take it seriously. The need to reduce this crime is important, and I thank hon. Members for raising the issue. Let me be clear: we recognise the serious consequences of metal theft. It is not a victimless crime. We have seen the significant disruption that metal theft causes to critical national infrastructure throughout the United Kingdom. That includes power and transport networks, with the stealing of live copper cable, which has resulted in death and serious injury for people involved.

In addition, as hon. Members highlighted, a number of historic buildings, including churches, are being targeted for their lead roofs and damaged. Many other examples were given, but the time available means that I must try to deal with the relevant points that have been highlighted this afternoon.

I recognise that the constituency of the hon. Member for West Bromwich East has a specific issue. I was recently in Sandwell, talking to the community safety partnership and the police. They underlined to me the importance that they place on dealing with and responding to metal theft. I congratulate them on the work that they are doing in dealing with the problem.

The police, other law enforcement agencies and industry are making efforts to tackle metal theft, providing a strong foundation on which to build a future partnership approach. There are excellent examples of effective multi-agency partnerships that have come together in affected areas to tackle their local metal theft problem. I am keen to ensure that the practical impact of that work, which shows how much difference can be made by motivated and committed partnerships that take the problem seriously, is shared more widely. We need to build on it. Many scrap metal dealers are doing excellent work in supporting law enforcement activity and reporting suspicious behaviour. We need to support their efforts, while bearing down on those who operate outside the law.

At national level, the Association of Chief Police Officers metal theft working group, chaired by Deputy Chief Constable Paul Crowther, provides leadership to police forces and a forum in which industry and the police can share information and good practice, which is extremely valuable work. I welcome the recent distribution of the ACPO tactical guidance to police forces. That provides, in clear detail, examples of effective practice in tackling metal theft.

The nature of metal theft means that joint working is just as important at national level as at local level. That is why the recent work by the telecommunications and utilities industries, in working on joint enforcement operations with local police forces, is so important.

I particularly welcome the efforts of industry in designing out this crime. For example, BT has been working to improve the protection of metal assets through improved security at storage sites. There are other examples of industry partners reviewing and tightening up their planned disposal of waste metal through the use of approved contractors and scrap metal dealers.

On the Scrap Metal Dealers Act 1964, I am grateful to the hon. Gentleman for bringing to the House's attention the issue regarding the effectiveness of the existing legislation. The Act contains a number of requirements relating to the regulation of the scrap metal dealer industry—namely, the requirement for each dealer to register with their local authority; the fact that all seller details are to be recorded; and the fact that, metal cannot be accepted for sale from the under-16s. We have seen excellent examples in Avon and Somerset and elsewhere of how the existing legislation can be used.

I note and welcome the British Metals Recycling Association code of practice, which it has recently issued to its members and to which the hon. Gentleman referred. However, although we welcome such attempts at self-regulation, we are also seeking to join up the existing regulatory framework better by contributing to the Department for Environment, Food and Rural Affairs review of waste policies—due to report in the summer of next year—to see what changes, if any, need to be made to legislation in this area.

Environmental and waste regulations cover the operation of the scrap metal dealer industry, as well as the transportation and storage of waste materials. Those regulations are mostly enforced by the Environment Agency. Therefore, it is vital that the police and the Environment Agency continue to work together to ensure that all the existing legislation is used effectively.

The hon. Gentleman will no doubt appreciate that the lead on funding for the British Transport police is the Department for Transport, rather than the Home Office. I know that Westminster Hall debates are not the arena in which to make party political points about the economic situation, but I note what the hon. Gentleman said and I am sure that colleagues at the Department for Transport will note it when they refer to the report of the debate.

As the Minister responsible for crime prevention, I am determined to develop a joint plan of working with law enforcement agencies, Departments and industry to tackle metal theft at every stage, from theft to disposal. Because joint working is so important, I want the plan to be jointly owned by the Home Office and the Association of Chief Police Officers multi-agency metal theft working group. We also need to consider the intelligence arena. We are looking at how regional intelligence units can

[James Brokenshire]

share intelligence effectively on the more serious organised thefts of metal. That is an important subject that needs further examination.

On the cashless model, I share the concern that criminals are able to turn up at scrap-metal yards and walk away with unlimited sums of cash in exchange for metal. We will examine that in developing our work plan in this arena, including establishing a cashless model. As part of a review of the industry standards, it requires further examination.

I believe that the Church Buildings Council is producing a report on metal theft, and I would welcome sight of the report once it is complete. I hope that we will be able to incorporate its recommendations, when appropriate, in our forthcoming work plan.

I apologise that my comments have been so brief, but I reiterate the importance that I place on this matter. We are committed to preventing and tackling metal theft. I am certain that we have a real opportunity to tackle this crime by working together in partnership with law enforcement agencies and the industry. By working together and having a joint working plan, I am sure that we will be able to tackle all aspects of metal theft and provide the catalyst for a concerted effort by all agencies to reduce this crime.

Health Care (North Yorkshire and York)

4.56 pm

Julian Sturdy (York Outer) (Con): It is a pleasure, Mr Leigh, to serve under your chairmanship. Naturally, I am grateful to those hon. Members attending this debate and to the Minister.

More than 800,000 people are fortunate enough to live in our beautiful part of the country, the North Yorkshire and York region. It is part of God's own county, as some would say. Quality of local health care is of the utmost importance to many, if not all. Local health care provision is often viewed alongside other criteria such as employment and crime. It is a measure of the local community's economic well-being and happiness—a word that seems to be floating around in many debates at the moment.

It is in our moral and economic interests to ensure the widest availability of health services, the shortest waiting lists and the most impressive health outcomes, and they should be implemented in each and every region. Ensuring such health care standards for all is truly one of the most essential roles of Government. Indeed, I am sure that all those Members here today will agree that health-related concerns crop up frequently in our constituency mail. That is certainly so in my constituency of York Outer.

When it comes to health, I often have nothing but sympathy with the majority of my constituents who are affected. Many of them feel betrayed by the system, weighed down by the bureaucracy, frustrated by the delays and ultimately let down by those supposedly in charge. In my experience, it is easy to comprehend such frustration. After all, our national health service is a national treasure. We champion it, and rightly so. However, when patients report negative experiences and local health funding concerns, our national treasure is in danger of being tarnished, to the detriment of health care users and service deliverers. That, in my view, should not be allowed to happen.

The health service has some of the most caring, compassionate and hard-working nurses and doctors in the world. That is certainly true in North Yorkshire and York. Our health care personnel carry out tremendous work, often in tough circumstances, and they do so out of a sense of public duty, kindness and compassion. I cannot commend these individuals highly enough. However, I am concerned about health care provision in North Yorkshire and York because of the representations that I have received from NHS employees and local patients.

The region faces some real health care difficulties. In truth, extremely serious concerns are growing about the capability and performance of the region's primary care trust and related bodies. Local residents have good reason to believe that a huge range of treatments will be withdrawn, if they have not been withdrawn already. For example, I have received letters regarding the future of IVF treatments, counselling services, broken voluntary sector contracts and the withdrawal of pain relief injections. It also appears that about £2 million will be cut from GPs' budgets for prescribing medications, and that some physio services are at risk.

Julian Smith (Skipton and Ripon) (Con): I congratulate my hon. Friend on securing this debate. He might be about to discuss this, but my experience from my

constituency is that North Yorkshire and York PCT's way of dealing with voluntary organisations in the past few months has been a disgrace, breaching the voluntary compact between those organisations and the PCT. It has caused problems for those important parts of the big society that have been operating in North Yorkshire for so long.

Julian Sturdy: Absolutely. I agree entirely with my hon. Friend. The time limit given by the PCT to those voluntary organisations is despicable, and it has caused fear and concern in the sector. Not only that, if the organisations lose funding for six months, which might be seen as only a short period, the problem is that they might not start up again. That is my concern, and I will go on to discuss it in more detail.

Local residents have good reasons to believe that a huge range of treatments will be withdrawn, as I said. If the truth be told, the status quo is not only unacceptable but frightening, particularly for the most vulnerable members of our communities. Even describing the current situation as a postcode lottery is too generous. I fear that our patch is in danger of becoming an area of health deprivation.

Several different factors require deep consideration as we piece together this somewhat depressing picture. First, we must accept that the region has to some extent been underfunded in the past. Before 2008, the North Yorkshire and York PCT did not exist. Instead, four separate PCTs covered the area. Nevertheless, for the purposes of this debate, I have amalgamated funding data to show the PCT's current funding allocation and the annual figures stretching back to 2003-04. For 2010-11, our region's PCT received just over £1.1 billion, an allocation that places it in the lowly position of 140th out of 152 PCTs. From a starting point of 127th in 2003-04, it has dropped down the funding table each year. The current funding level is the lowest allocation per head of all Yorkshire and Humber PCTs.

PCT funding is currently allocated according to a complex funding formula, often referred to as the weighted capitation formula. In essence, the formula determines the target share of resources to which PCTs should theoretically be entitled, based on a broad range of criteria including population, the local cost of health care provision and the level of need and health inequality in the area. Unfortunately, most PCTs never receive an allocation equal to their deemed target share according to the formula. Rather, they move towards it over time, some faster than others.

Personally, I am slightly critical of the current formula. It often results in greater funding disparities between different regions, which provoke a profound sense of unfairness. Less deprived areas often seem to get a certain tag as well. For example, according to the formula, North Yorkshire and York does not have adequate need for additional resources, particularly compared to the needs of more urban areas such as Hull. I am not convinced that approaching regional health funding consideration with that mentality—judging whether areas are deprived enough—is a sufficiently robust methodology in current circumstances. We must look more deeply at the funding stream.

I agree that the funding shortfall has increased the strain on our local PCT and its ability to deliver the best possible health outcomes and equity access for local residents. I would appreciate the Minister's comments on whether the coalition Government will review the funding formula at some future date. However, I also suggest that excusing our health care failings in our region on past funding alone would be somewhat naive. Over the past few years, North Yorkshire and York PCT has accumulated an overspend of some £17.9 million. Thus, despite the coalition's welcome commitment to protect the wider health budget, services are being cut in our region to pay for the fiscal irresponsibility of the PCT. Moreover, the PCT seems to be intent on resolving this deficit immediately because the previous Government imposed a statutory obligation on all primary care trusts to break even by the beginning of 2011. Such a target-focused piece of bureaucracy has now resulted in the PCT cutting too many services too quickly, possibly leading to a diminished health care package for our local residents.

I have already listed some of the services that are under threat of withdrawal. My hon. Friend the Member for Skipton and Ripon (Julian Smith) has named the services in the voluntary sector as well. I shall expand on a few examples. First, there is the withdrawal of the pain relief injections. As Members from neighbouring constituencies know—my hon. Friend the Member for Selby and Ainsty (Nigel Adams) has campaigned with me on this—the PCT's decision to restrict the provision of back pain relief injections has provoked a huge reaction from both patients and health care professionals alike.

Nigel Adams (Selby and Ainsty) (Con): I, too, congratulate my hon. Friend on securing this debate. I am not sure whether I should declare an interest, having received several back pain relief injections in the past. The injections are a big issue in the north Yorkshire area, as evidenced by the huge postbags that my hon. Friend and I receive, and we have spoken to the Secretary of State on the matter. Can my hon. Friend recall a discussion with the Secretary of State in which he said that one of his officials would look into the York PCT's interpretation of the NICE guidelines on back pain relief injections? Has he received any notification of those discussions or heard from the Secretary of State's office?

Julian Sturdy: My hon. Friend makes a valid point. We did indeed meet, and I have not yet received a response from the Secretary of State. I hope that the Minister will hear our message here and chase up that response, because it is important that we get an answer to our question.

My hon. Friend mentioned the back pain relief injections, and the issue is causing real concern among our constituents. Members of the public came to my last surgery to discuss the matter. The PCT, as my hon. Friend said, based its decision to cut back pain injections on its interpretation of the NICE guidelines. Unfortunately, almost every other PCT interprets the same guidelines in a different way. As such, countless local people are being forced to suffer enormous and unnecessary pain.

Alongside other hon. Members from the region, I have lobbied the Secretary of State. Campaign groups such as York and District Pain Management Support Group have been leading the way on this as well. I have

[Julian Sturdy]

also received representations from concerned health professionals. Only last week, Dr Peter Toomey, a consultant anaesthetist at York hospital wrote to me, stating:

"I consider that the PCT have made serious errors of judgement in coming to their decision to restrict access to spinal injections for the relief of pain. The PCT will not reimburse York Hospital for any injection into any part of the spine for any diagnosis unless it has been approved by the PCT's Funding Request Panel."

We know—my hon. Friend the Member for Selby and Ainsty will back me up on this—that many people are being refused by that request panel. Dr Toomey and a number of his colleagues have fought hard to challenge the PCT's policy, but—alas—their medical expertise seems to have fallen upon deaf ears.

Patients and medical professionals are united in the view that this pain relief service should not have been withdrawn. It has been taken away for the wrong reasons and should be reinstated without delay. The withdrawal of such vital services is causing me great concern, as is the withdrawal of funding for numerous voluntary services. My hon. Friend the Member for Skipton and Ripon touched on that matter earlier. The York Council for Voluntary Service has been informed of a 37% in-year cut, which has been issued by the PCT with just one month's notice. Angela Harrison, the chief executive of the YCVS, summed up the whole situation quite aptly when she said:

"These cuts have already had a disastrous effect on front-line voluntary groups who serve some of the most vulnerable members of society. At the same time, the infrastructure groups who support them have had their funds withdrawn at very short notice, reducing their capacity at a time when it is most needed."

One specific voluntary case vividly highlights the poor management of the way the PCT has handled this situation. On 19 October, Yorkshire MESMAC received a letter from the PCT, informing the organisation that its contracted health care funding was to be withdrawn within one month. Such blunt and definitive notice is absolutely outrageous. Not only has an agreement been broken, but no consultation took place with the organisation, which—knowing the PCT's overspend—would have been happy to sit down and reach a more amicable agreement. As Tom Doyle, the director of Yorkshire MESMAC, said:

"I want to express my deep frustration at how the process has been handled, which was, in my opinion, unlawful, disrespectful and showing an arrogant disregard for the PCT's own agreements and processes."

It is now feared that Yorkshire MESMAC will be forced to close.

On a wider note, the voluntary services budgets are expected to lead to a saving of some £150,000 for the PCT this year. Given that that is a small drop in the £17 million overspend, I would urge the PCT to look internally for structural and efficiency savings, rather than merely reducing the funding of voluntary groups, whose work often plays such as vital role in our health service. If our voluntary health services are forced to close, I predict that far greater numbers of patients will actually require more hospitalised, long-term and expensive treatments through the NHS, thus undermining the PCT's initial savings.

Due to the overspend and service reductions, there now exists a lack of trust in the PCT and a complete absence of confidence over its future intentions, and I fear that local people are simply paying too high a price for that. In the long term, I am more optimistic about health care provision in north Yorkshire and York, largely due to the contents of the health White Paper. The localised drive to ensure that PCTs are, at some point, abolished altogether and replaced by GP-led commissioning bodies, which are influenced by local patients, is a measure that I wholeheartedly welcome.

At long last, local patients will have a say in their local services, holding the decision makers to account and freeing up our nurses, doctors and health providers from the red-tape that so often binds them and takes them away from the front line. I hope that the Minister can reassure me that the transition from PCTs to GP-led commissioning will be carried out swiftly to ensure that the interim transitional period will not see a lack of leadership or direction for local health care services—especially in our area.

I believe that the PCT will continue to operate until 2013, and I plead with the Minister to review to the situation in north Yorkshire and York in the meantime. Our constituents simply cannot afford to wait three years for the situation to be remedied. Most specifically, I would welcome any comments from the Minister on the previous Government's imposition of a statutory obligation on PCTs to break even by the end of this year. Could that deadline be extended to soften the blow of the cuts over a greater time period?

The people of north Yorkshire and York depend upon their health care services, and many are extremely worried at present. I hope that hon. Members from the region—I was going to say "regardless of political allegiances", but as we only have coalition Members here I will not say that. To give the hon. Member for York Central (Hugh Bayley) credit, he did say that he would try to be at the debate today.

We must protect the essential health care services and funding that our region deserves. I ask and urge hon. Members to fight and to campaign for that. We must ensure that, before GP-led commissioning starts, the PCT delivers the best service that it can within its budget. It must focus on service delivery and the outlying services to our communities, rather than cutting.

I hope that the Minister will give serious consideration to the issues that I have raised. I am grateful for his time. I know that it has been a hectic day thanks to the Divisions, but I am grateful to him for giving us the time, and I hope that he will give the matter serious consideration.

5.15 pm

Andrew Jones (Harrogate and Knaresborough) (Con): I congratulate my hon. Friend the Member for York Outer (Julian Sturdy) on securing this important debate, and I add my support to his recognition of the excellent work that the health care professionals do in our area. He has highlighted that our health grant in North Yorkshire is low, which impacts on the services that we receive.

When facing the challenge of low funding, the PCT has to look hard at its priorities, particularly with regard to mental health services. I am always concerned about mental health provision, because I think that for far too long in our country it has been a bit of a Cinderella service. In my constituency, the community

mental service has closed the Hawthorn day unit, which was extremely popular with its service users and well respected across the community. It is claimed that the closure is temporary, but the reasons for its closure run on and on, and it seems endless.

While the excuses mount up, some of the most vulnerable people in my constituency—many of whom I have met—have seen their contact time with counsellors, or their time in respite care, decrease from three or four days a week to half an hour a fortnight. I am worried about the impact of the change on some of the most vulnerable members of the community. In some cases, those constituents have severe mental health problems and can periodically be a danger to themselves. I hope that our PCT will consider that and, even at this late stage, find a way to reopen the Hawthorn day unit at the earliest opportunity.

5.16 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for York Outer (Julian Sturdy) on securing this debate, and I note the cross-party support that he has gained, with the arrival of the hon. Member for York Central (Hugh Bayley). I note the presence of my hon. Friends the Members for Skipton and Ripon (Julian Smith), for Selby and Ainsty (Nigel Adams) and for Scarborough and Whitby (Robert Goodwill), and I know that they are all interested in and concerned about the issues that my hon. Friend the Member for York Outer has raised. He has made a powerful case for why we need the radical reforms across the NHS to which the Government are committed.

Before I turn to the points that my hon. Friend has raised, I join him in praising the work of NHS staff across Yorkshire. They do an excellent job, often in the most trying circumstances, and he is right that the NHS is a national treasure. Our White Paper reforms are, first and foremost, about freeing those hard-working professionals from the bureaucracy that stands in the way of good patient care.

We will be cutting management costs by a third, moving decisions closer to patients through new GP consortiums and giving local councils more responsibility for the health of their communities. All those will help to create a more flexible, efficient, interconnected and accountable health service.

We are now entering a transition to the new system, which brings its own challenges for all parts of the NHS. The descriptions that my hon. Friend has given of circumstances in his constituency demonstrate the challenge that is exacerbated by the fragile state of the local NHS finances. The Government have inherited that fragility and they will have to address it.

I understand from the strategic health authority that the North Yorkshire and York PCT is likely to end the year with a significant deficit unless it takes drastic action of the sort that my hon. Friend has described, and to which others have referred in this debate. That process clearly involves some tough decisions, which will have a distressing impact on his constituents, and I will return to those in a moment. I want to answer his concerns about funding allocations for the NHS in that part of the country.

At present, as my hon. Friend has described, the NHS uses a funding formula based on objectives set by the previous Government and developed by the independent Advisory Committee on Resource Allocation. I know that one of the big frustrations for North Yorkshire is whether its rural nature is taken fully into account in the funding formula, and my hon. Friend has alluded to that. As a Government, we have asked for that formula to be examined. The Secretary of State has asked ACRA to review how NHS resources are distributed, and has explicitly requested that consideration be given to the issues that face rural communities.

Looking ahead, from 2013-14 we will have moved to the new system of the independent NHS commissioning board allocating resources to general practice consortiums. How it does that will be up to the commissioning board itself, but we are clear that it must do it fairly and consistently across the country. For places such as his constituency, my hon. Friend the Member for York Outer is right—real pace and purpose are vital to getting the NHS on to a more stable financial footing. I can assure him that we are keen to make fast progress on GP commissioning consortiums taking on responsibilities. In that regard, shadow allocations for GP consortiums will be published late next year for 2012-13, giving the new organisations the time and space to test financial plans before the full system goes live in 2013-14.

My hon. Friend asked whether GP consortiums would have to take on PCT debt. I have heard that anxiety expressed around the country. The NHS operating framework, which we will publish in a few weeks, will set out the rules on legacy debt to ensure that no debts carry forward into the new system. That is challenging, and we are keen to work through it effectively.

I shall now come back to the present and say a few words about the current financial position in North Yorkshire and York. The strategic health authority tells me that the local PCT has had a problematic financial history stretching back many years, which may be an understatement. *[Interruption.]* I can see colleagues nodding.

Over the past 12 months, its situation has deteriorated due to a number of factors, including a significant overspend on community services and the fact that its QIPP—quality, innovation, productivity and prevention—programme has not delivered the expected savings. As a result, the trust is having to take radical steps to put its finances in order, including temporary reductions to some non-urgent health services. I very much regret that.

I regret that the fragility of the organisation has placed my hon. Friend the Member for York Outer's constituents in a position where they face these service changes. I hope he will understand that it is not for me to give a running commentary on every aspect of what the PCT is doing. On the issues that he highlights—particularly about the QIPP programme implementation, which I have looked at carefully—there are lessons for how we ensure that we get a proper grip on financial management in local NHS organisations.

It is striking, for instance, that the neighbouring PCTs with similar populations to North Yorkshire and York's are not facing the same financial challenge, nor are they having to resort to the desperate actions that the trust is taking. My hon. Friend is right to say that

[Paul Burstow]

the trust should not seek excuses in how the funding formula works. None the less, we need to look at the formula.

Equally, it is important to bear in mind that the QIPP programme in North Yorkshire and York has not delivered. I understand that it set some ambitious and challenging plans; the problem was that the implementation has not been as robust as the plans. I understand that one issue appears to be a failure to bring on board the full range of stakeholders to deliver on the improvement plans. That is a significant failing, because where the PCT is doing that, the signs are extremely positive. For instance, local GPs are working with the trust on prescribing practices—together they are looking to cut costs by more than £1 million, while protecting quality and service. I highlight that because it shows the power of GPs in managing efficiencies, and is a sign of how our reforms will help in the future.

Perhaps most troubling of all is the fact that the PCT has slammed the brakes on funding for the voluntary sector in a way that may have serious consequences for the future. The PCT may, technically, be within its rights to give the minimum of notice to providers, but pulling the plug on small organisations with just a month's notice—or in some cases, less—is alien to the spirit of collaboration and partnership that we want the NHS to cultivate. As my hon. Friend the Member for Skipton and Ripon said, it seems to be against the notion of the compact.

There is an important general point here. As we move through transition there will be difficult choices, and the NHS needs to be clear about what it needs to protect and how best to maintain vital voluntary community services. Therefore, in response to this debate, I have asked the NHS chief executive, Sir David Nicholson, to consider how to ensure that local NHS organisations act responsibly towards voluntary sector organisations during any period of retrenchment. My hon. Friend is right: we need candour and early discussions, about where the cost pressures are in the system, because, given the opportunity, the voluntary sector can contribute to managing them.

Reference has been made to the issues of pain relief injections and of treating chronic back pain. The hon. Member for Selby and Ainsty (Nigel Adams) asked a question about the discussions that he has had with the Secretary of State, as did the hon. Gentleman who secured this debate. I am not cited in regard to those discussions, but I will undertake to ensure that we look very carefully at the issue and come back to both hon. Members who raised it, to satisfy them and ourselves that NICE guidance is being followed properly.

However, I believe that the PCT understands that its decision has affected a significant number of patients with chronic back pain, and that it has written to a number of those patients, commissioned a series of initiative clinics where patients are fully assessed and given new treatment options to manage their pain.

Nigel Adams: Just on that point, it is worth remarking that the reason given by the PCT for the withdrawal of the procedure is not a financial one, which is very difficult for colleagues to comprehend. Apparently, it is based on medical advice via the NICE guidelines, but the PCT seems to be the only one in the country that has adopted that stance. Does the Minister agree that that sort of logic is a perfect reason why our reforms must come through in terms of GP commissioning, so that decisions can be made by health professionals rather than bureaucrats?

Paul Burstow: There is no doubt in my mind that getting clinicians far more engaged in commissioning will be a key driver to a significant improvement in quality and outcomes in the system in future. I certainly undertake to ensure that we have a proper look at this issue of the guidance, and I will come back to both the hon. Gentleman and his hon. Friend, the hon. Member for York Outer, on that point.

I certainly share the belief that those reforms are needed to ensure that the NHS in north Yorkshire, and Yorkshire in general, moves in the positive direction that we all want to see it move in. Our proposals will bring the right leadership and purpose to sustain and improve the services that the constituents of the hon. Member for York Outer, and those of the other hon. Members who have come to support him in this debate, expect the NHS to deliver.

Decisions that are made much closer to the patient will ensure that health care is shaped in the best interests of the community and the general population. By introducing greater transparency and democratic accountability, we will ensure that the local NHS is far more answerable to the people whom it serves and that there will be much more scrutiny and community involvement in the decisions that it takes.

That is something that I am sure all hon. Members want to see. It is how we can move our NHS forward, maintaining it as a national treasure but one that really delivers the best possible outcomes—outcomes that are among the best in the world. That is what we really want to see.

Question put and agreed to.

5.27 pm

Sitting adjourned.

Westminster Hall

Thursday 2 December 2010

[ALBERT OWEN *in the Chair*]

BACKBENCH BUSINESS

Fisheries

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Robert Goodwill.)*

2.30 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): It is my great privilege to open this afternoon's debate on fisheries, and I am grateful to see so many hon. Members, who I suspect have postponed rather arduous journeys home to far-flung parts of the UK to be here. I am very grateful to them all.

With the EU Fisheries Council talks less than two weeks away and with officials, I believe, already in Bergen ahead of the talks, this is a timely and very necessary debate. It is likely that we are facing reductions in total allowable catches for some of our key stocks in the year ahead. That means that, in spite of having made substantial progress in conservation, certain parts of our fishing industry are facing a very bleak outlook next year.

As I am sure most Members would agree, fishing is part of the DNA of our coastal communities. It is a multi-million pound industry, and it employs thousands of people—5,500 people in Scotland alone. In addition, fishing directly supports many more thousands of jobs onshore, in processing, retail, supply, maintenance, boat building and so on.

However, we must remember that fishing remains an inherently dangerous and demanding occupation that takes place in a hostile marine environment. Last year, 13 men on UK-registered fishing vessels lost their lives. It is important today that we remember them; that we express our condolences to their families and communities, and that we pay tribute to the Fishermen's Mission, the Royal National Lifeboat Institution, our coastguards and all those who offer support to our fishermen in their hour of need.

I am very grateful to have the opportunity to lead this debate today, so I am disappointed that it is not taking place on the Floor of the House. In my view, it is very important that the Government should have the chance to inform our discussions this afternoon by setting out their priorities for the EU negotiations. Nevertheless, I hope that we will have a full and productive debate.

As I am sure Members are well aware, this year's EU talks are taking place against the backdrop of ongoing consultation on reform of the common fisheries policy. At the outset, I think that we have to acknowledge that the CFP is an abject failure. It has failed the fishing industry, it has failed as a conservation strategy and it has failed our coastal communities.

The significant challenges that we now face have to be seen in the context of a CFP that, for more than 30 years, has been systematically damaging our marine environment, systematically undermining the livelihoods of those who seek to earn a living from the sea and has been inconsistently applied across the member states of the EU. It is simply not fit for purpose. It is my belief that we will not realise an economically and environmentally sustainable fishing industry until the CFP is consigned to history and replaced with a workable model of fisheries management.

There is growing consensus in the fishing industry among fishing leaders, fishermen, scientists and environmental non-governmental organisations, that a regionalised approach offers a better way forward than the "one-size-fits-nobody" approach that we have at the moment.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I congratulate my hon. Friend, of course, on securing this debate. With Scottish National party eyes, I perhaps see a new "Madame Ecosse" in the making—I am not sure, but we could well have another one within the party.

On the point of regionalisation, surely the way in which the CFP and fisheries are managed at the moment places restrictions on fishing west coast prawns and causes problems, because of the multiplicity of species in the sector. There is a lot of whiting in the sea that eat young prawns, but the fishermen are unable to get them, and rescue and sort out the prawn fishery. As a result, there are distortions right across Scotland, but particularly on the west coast. I wonder if my hon. Friend would address that.

Dr Whiteford: I thank my hon. Friend for making that very important point about the need for a whole-ecosystem approach to fisheries management. In addition, our fishermen need the ability to plan their business on a long-term basis and certainly on a much longer-term basis than they do at the moment.

I cannot think of any other industry that is subjected to the intense degree of micro-management and annual uncertainty that the fishing industry is subjected to every year at this time. Fishing is a politically managed and politically regulated industry, and we just simply have to do better.

Fishing is very much the lifeblood of the coastal communities I represent, which include Peterhead, Europe's premier white fish port, and Fraserburgh, Europe's biggest shellfish port. Between them, Peterhead and Fraserburgh are also home to a large part of the UK's pelagic fleet and home to a large processing sector. We have a very diverse industry and it does not just involve major ports such as Peterhead and Fraserburgh. In my constituency, many coastal towns and villages define themselves by their maritime traditions: Whitehills, Gardenstown, Rosehearty, Cairnbulg, Inverallochy, St Combs, and my home town of Macduff. These communities have paid a very high price for the failure of the CFP, which has essentially been a failure of political leadership.

I know that the diverse fishing industry I see in Banff and Buchan is reflected around other parts of the UK coastline. One of the advantages of having a general debate this afternoon is that it will enable Members from around these islands, I hope, to express the concerns and interests of different parts of the fishing industry that pertain to their own locale. Nevertheless, I hope

[Dr Whiteford]

that Members will understand that I myself want to focus this afternoon on a couple of issues that are of particular interest to my own local area.

Perhaps nothing symbolises the mismanagement of fisheries policy more than the present predicament of our white fish fleet in relation to the whole problem of discarding good-quality fish. Under the current regulations, nutritious and marketable food that could be landed and sold is instead thrown back dead into the sea, polluting the marine environment and needlessly depriving boats of landings that could keep them afloat financially.

Mr MacNeil: On that point about discards, some fishermen from the west coast of Scotland have said to me that they feel that the increased quota restrictions, which it must be said are often called for by environmentalists, actually lead to higher discards and that it is a counter-productive way of managing fishing, with micro-management from outside the fishing industry leading to these increases in discards.

Dr Whiteford: I agree with my hon. Friend that the current quota system is counter-productive with regard to discards. We have to recognise that discards happen for a number of reasons, but one of the key problems is that quotas are currently set for the amount of fish that is landed in port and not for the amount of fish that is actually caught.

I know that the Scottish fleet has worked extraordinarily hard in recent years to reduce discards. Since 2008, discards have declined by a third, which is a greater reduction than has been seen anywhere else, and it has been due in no small part to the introduction of real-time closures and the use of selective gears. However, while those have been very valuable mitigation measures, I do not think that anyone would argue that they have gone far enough. One in three cod caught in the North sea are still being discarded and discard rates are still unacceptably high. More than 14,000 tonnes of cod are still being dumped. That means that more cod is actually being dumped into the North sea than can be landed in the whole of the UK.

That is an environmental outrage, but it is also economically disastrous. In the North sea in 2009, 60,000 tonnes of white fish were landed in Scotland, worth £68 million, but the total catches amounted to 88,000 tonnes. That means that almost 28,000 tonnes—potentially up to a third of the value of the Scottish cod, haddock, whiting, saith, plaice and hake catch—were thrown back into the sea. In financial terms, we could speculate that up to £33 million-worth of good fish was dumped last year. That is a criminal waste in economic and environmental terms, and I can assure Members that nothing creates greater anger and frustration in fishing communities.

With quotas set to be reduced further, discards are actually expected to rise next year. That is why we need to take seriously the success of the catch quota pilot schemes in Scotland and Denmark, which have been running in recent years, and build on those schemes in the years ahead. Those taking part in the pilots have been freed from certain effort restrictions and awarded higher quotas in return for fully monitoring and recording their catches, and avoiding discards. Those fishermen are removing fewer fish from the sea, but they are able to land more fish. It is a win-win situation for them; it keeps the cod recovery plan on track, while rewarding fishermen who do not discard. It is also providing valuable scientific data on what is actually going on in our seas, which is no small point of controversy.

Mr MacNeil: I am very grateful to my hon. Friend for giving way again. She mentioned pilot programmes and programmes that we have had. Of course, on the west coast of Scotland we feel the great loss of the by-catch for dogfish, which I think should be looked at again. Particularly on the west coast, there is an awful lot of squid at the moment, but there are no ways for the fishermen to catch the squid. I hope that the Minister will look at enabling fishermen on the west coast of Scotland to get near that squid fishery at some point.

Dr Whiteford: My hon. Friend advocates well on behalf of his constituents.

I think that it is recognised that catch quotas are no panacea for the white fish fleet. They will help to mitigate the most damaging social and economic impacts of this year's expected quota cuts and reduce discard levels further, allowing our fishermen to catch less and land more, but in order to take things to the next level, we need the opportunity to trial a mixed-species catch quota option. The North sea is really a mixed fishery, and we need to consider the ecosystem as a whole. I hope that the UK Government will pursue a full catch quota system for cod in the year ahead. I also urge the Government to secure options to trial catch quotas for other species such as haddock, whiting or plaice. If fishermen are to reap the full benefits of their conservation efforts, the Government must secure changes in the management regime.

Over the past decade, the Scottish white fish fleet has more than halved as the industry has attempted to place itself on a more commercially and ecologically viable footing. We must start rewarding our fishermen for successful conservation efforts and recognise their central role in managing and conserving our fishing resources. In my experience, it is fishermen themselves who want a whole-ecosystem approach to fisheries management. They see the dangers of displacement and know only too well that cack-handed management measures have unintended consequences for them and for the marine environment.

It is also important to remember that the quota reductions likely to affect the white fish fleet next year will have a knock-on effect on processers, some of which are already under pressure from the impact of the recession on global markets and the reduced availability of quotas. In such circumstances, the argument for extending the catch quota scheme next year is compelling, and I hope that the Government will pursue it vigorously.

The other big issue that I want to address is the so-called mackerel war between Iceland and the Faroe Islands and the rest of Europe. I have welcomed previous assurances that the Minister is not minded to acquiesce to the unreasonable demands of Iceland and the Faroe Islands for huge chunks of the global mackerel quota and is keeping pressure on the European Commission not to cave in on the issue. As he knows, about 60% of the UK pelagic fleet is based in my constituency. I have been in regular contact with pelagic fishermen and their

representatives during recent months, as I know he has, and they keep saying to me that they want a negotiated settlement, but not at any price.

Mackerel is the UK's most valuable fish stock. It is also one of the most sustainably managed. Iceland and the Faroe Islands have awarded themselves quotas amounting to 37% of the total allowable catch. Their grossly irresponsible actions are jeopardising the sustainability of the stock and threatening the Marine Stewardship Council accreditation that the pelagic fleet worked so hard to achieve. Our fishermen accept that there are mackerel in Icelandic waters and that Iceland is entitled to some quota, but they argue rightly that that quota must be proportionate and in line with the long-term management plans that exist to protect the stock. There can be no doubt that the increase in mackerel in Icelandic waters is attributable to the successful implementation of conservation measures elsewhere in the North sea. I do not want that work to be undone in order to give Iceland an expedient political payoff.

Jim Shannon (Strangford) (DUP): Does the hon. Lady agree that the acquisition of 185,000 tonnes of mackerel is akin to piracy on the high seas and should be objected to in every forum by the Minister?

Dr Whiteford: I agree 100%. In my view, appeasement of the unreasonable demands of Iceland and the Faroe Islands will lead only to further demands. The EU must not reward behaviour that has been utterly reckless in conservation terms.

We must remember that our fishermen have absolutely nothing to gain in the negotiations; they can only lose out from any deal struck. Nevertheless, they see that their own long-term interests depend on the long-term health of stocks, so they want us as politicians to hold our nerve and stand firm for a fair and equitable resolution of the issue.

On the subject of mackerel, one of the most frustrating aspects of European fisheries policy is that while our fishermen have made strenuous efforts to fish sustainably, they have seen other member states flouting the conservation targets. Spain overfished its mackerel quota by 296% last year yet the Commission has taken no action against it. I am unable to explain to the fishermen in my constituency why fishermen in some parts of the EU can flout the rules and regulations with impunity while they face serious sanctions if they do so. I hope that the Minister will take up the issue of Spanish overfishing with the Commission and work with other member states towards more sustainable fisheries in all EU waters.

Sea fishing has the inherent potential to be both a sustainable and a profitable industry. Those goals are sometimes in tension, but I think that most people in fishing communities and the industry recognise that over the long term, they go hand in hand. Our fishing communities deserve better representation from UK Governments than they have had. Too often, fishing has been a bargaining chip in bigger negotiations. It has not had anything like the priority that it deserves. I hope that that will change. I wish the Minister well in the forthcoming round of talks, and in opening the debate this afternoon, I urge him to put the economic, environmental and social sustainability of our fishing industry and coastal communities at the heart of his Government's approach.

2.45 pm

Mr Alan Reid (Argyll and Bute) (LD): I congratulate the hon. Member for Banff and Buchan (Dr Whiteford) on opening this debate. I echo her comments that it should be in the main Chamber and not in Westminster Hall. This is the 10th annual fisheries debate that I have attended, and it is only the second that has not been held in the main Chamber. I hope that in future years, the Backbench Business Committee will put this debate in the main Chamber, where it rightfully belongs.

As the hon. Lady said, fishing is a dangerous occupation, and it would certainly be uncomfortable to be on a fishing boat on a bitterly cold day like today. This is my 10th annual debate. Unfortunately, the issues do not change much. Agreement at these debates is always widespread that the common fisheries policy has failed and needs radical reform.

We must move away from centralised decision making by the Commission and towards a decentralised system of regional management committees involving fishermen, scientists and fisheries managers from member states. Only by decentralising decision making will we ever get a system that sustains both fish and fishermen.

I stress that we need a common fisheries policy. The actions of Iceland and the Faroe Islands on mackerel show what would happen if there were a free-for-all and each member state could do its own thing. We need a common fisheries policy, but it must be based on regional management, not centralised decision making from Brussels.

Discards are an obvious example of why the present common fisheries policy is failing both fish and fishermen. The European Commission is well aware of the problem; its cod recovery plan is based on the assumption that 30% to 40% of cod taken from the sea will be discarded. There is something wrong with a system that makes such an assumption. Decentralising decision making to those most affected by the decisions must be the way forward. Fishermen are well aware of the need to sustain stocks over the long term.

Mr MacNeil: I am listening with interest to what the hon. Gentleman is saying about decentralising fisheries, but I have been hearing it since I came to Parliament five years ago. Nothing really happens; fishing is still controlled by the common fisheries policy at a European level. Other than national control, will we really see any change in the next five years, or will we hear further rhetoric from politicians saying that we must change?

Mr Reid: As I explained in my speech, national control would not work either. Because Iceland and the Faroe Islands are outside the EU, they are behaving utterly irresponsibly. National control would lead to exactly the same thing. We need a common fisheries policy, but it must be based on decentralisation and determined by sea basins rather than member states' boundaries; that is the way forward.

I share the hon. Gentleman's frustration. This is his sixth annual debate, but it is my 10th. We must resolve the issue. I would hope that the Governments of all EU countries will recognise that and move towards a decentralised system in the next round of common fisheries policy reform. The regional advisory councils are a start, but they must be given much more power to take local decisions.

[Mr Reid]

By far the most important species for fishermen living off the west coast of Scotland is nephrops. Fishermen in the area are extremely concerned by the Commission's proposed 15% cut in total allowable catch. If implemented, it will have a terrible effect on employment in the west coast fishing industry for both fishermen and fish processing workers. Although fishing on the west coast has declined in recent years, it is still an important part of the local economy.

Mr MacNeil: The hon. Gentleman raises an important point about the 15% TAC cut in nephrops on the west coast of Scotland. Does he agree that it is also important for the under-10 metre sector that the cut is not implemented?

Mr Reid: I agree that it is important for the entire west coast fishing fleet that the cut in TAC does not go ahead. We must remember that the proposed 15% cut would follow several cuts that have been made in recent years—a 15% cut was proposed last year and went through—so it is a reduction of more than 15% on the catch of a few years ago.

To add to the problems of the Clyde fishermen, the proposed cut in the Irish sea quota is even higher. The Clyde fishermen are concerned that sea vessels that normally fish in the Irish sea will come to the Clyde instead to fish for prawns, as has already been witnessed. The Clyde Fishermen's Association is concerned about that and estimates that those additional vessels will increase the fishing effort in the Clyde by about 30%. That additional effort will come out of a TAC that could well be cut by 15%, so it does not take much arithmetic to work out that there will not be much quota left for Clyde-based fishermen in their home waters.

What makes those cuts even more frustrating is that nephrop stocks off the west coast are healthy. That is recognised by all. The problem that the Commission envisages is cod by-catch, but it does not appear to take into account the fact that cod by-catch resulting from fishing for nephrops is tiny. It also does not appear to take into account the other measures that have been taken to reduce by-catch. The weekend fishing ban on the Clyde, for example, further limits the days at sea, and there have recently been increases in mesh size and the introduction of the new OMEGA measuring gauge. A TAC cut of 15%, combined with the effects of stocks being taken by visiting vessels, will result in a severe blow for the Clyde fishing industry. I urge the Minister to make it his prime objective when he goes to Brussels to get that cut reversed. The TAC must remain where it is if fishing in the Clyde is to survive.

2.52 pm

Mr Frank Doran (Aberdeen North) (Lab): I congratulate the hon. Member for Banff and Buchan (Dr Whiteford) not only on securing the debate, but on giving the shortest opening speech I have ever heard in a fisheries debate, and I have been attending them since 1987. The reason why it was so short is that she is not the Minister.

I want to preface my comments on the industry by making a point that needs to be addressed. The annual fisheries debate used to take place in the Chamber on a Government motion; that was the case long before 1987. I and many other Members assumed that that is what would happen this year, because it is an extremely important industry, as those who represent coastal communities know. I was shocked to be told when I contacted the Minister's office that "the Department could not organise a debate." The same words were used in a letter the Minister wrote to the hon. Lady. I was at pains to find out why that was so, particularly when it concerned such an important industry and at such an important time, just a few days before the Brussels summit.

This is not a party political point, because I am sure that the previous Government would have been just as guilty in the same circumstances, but the Government Whips seem to have taken all the departmental debates, such as this one, including the five defence days, and loaded them into the days allocated to the Backbench Business Committee for the business it proposes. It seems that what was intended to extend democracy for Back Benchers and give them more debating days has been hijacked by the Government to offload debates that were previously held in Government time.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): Will the hon. Gentleman give way?

Mr Doran: I will finish my point, because I know what the Minister is going to say. When I questioned Government Whips on that, I was told that the appropriate number of days had been allocated to the Backbench Business Committee. That might be true in a normal year—we have yet to see a normal year—but this year will not be normal because it will extend into 2012. I will say no more about that, but it is important, particularly to the fishing industry, which in many respects often seems to be a Cinderella industry.

Richard Benyon: I will set out the situation from my perspective. I hope that the hon. Gentleman understands that I relish the opportunity to address the House on this important issue and that there is absolutely no inclination on the Government's part to hide from the debate. There was a debate last week in Backbench Business Committee time on the regulation of independent financial advisers. I think that today's debate has attracted much more interest from MPs, not only those who represent coastline constituencies, but those who care about our marine environment. I hope that the strength of feeling that the hon. Gentleman has expressed, and which I and other hon. Members will express, will be pointed out to the Committee so that we can get a response.

Albert Owen (in the Chair): Order. Can we get back to the matter of fishing?

Mr Doran: I welcome the Minister's remarks and was not targeting him specifically—

Mr MacNeil: He was a by-catch.

Mr Doran: That is a very good point. A number of Members have indicated that they want to speak, so I will say no more on that point. The hon. Member for Banff and Buchan covered many of the points that

I wanted to cover, so I do not intend to say much. I hope that we will have an opportunity to hear the Minister give his review of the year and set out the Government's plans and the position they will take at the Fisheries Council meeting on 13 December on all the important issues that will be raised today.

The general point I want to make is that it has been a difficult year for the fishing industry. The hon. Lady mentioned that 13 fishermen have been lost at sea this year, and every year that figure is shockingly high. It is the most unsafe of all the industries in the UK. I know that the industry makes serious attempts to improve its safety record, but the problem tends to lie with individual vessels, and it is difficult to enforce safety measures. I do not know how we can get the message across, but we need to do much more to improve safety.

The pelagic fisheries have been mentioned, and there is a serious problem in that regard. The idea that one country can put a gun to the head of the whole of Europe, in the way that the Icelanders seem to be doing to get whatever they want—I am not quite sure what they want—is a serious problem. We had the opportunity in the all-party group on fisheries to meet representatives of the Scottish pelagic fisheries, who made it clear how difficult that is for the industry and how much they want to see the problem resolved, but not through concessions to Iceland.

Mr MacNeil: Will the hon. Gentleman give way?

Mr Doran: I am sure that the hon. Gentleman will have the opportunity to make his own contribution.

Another serious problem this year, particularly for the Scottish fleet, has been the Isle of Man's decision to limit scallop fishing. Financial pressures are beginning to tell. I am told that up to 41 vessels from the white fish fleet—almost a third of a fleet of 120—are likely to be decommissioned over the next year, which is a sign of the difficulty imposed on the fleet by the limited fishing opportunities allowed by the current CFP arrangements. The Seafood Scotland website, which I looked at while preparing for the debate, reported in news releases for June and July this year that, for a number of vessels, nearly all the days at sea had been used up, so the end of year fishing will be limited. That puts pressure on other links in the chain of the fishing industry.

My main interest in the fishing industry is in the processing side. The Aberdeen fleet is turning to fish elsewhere. The processing industry has serious problems with the fluctuations in the provision of raw material. There is continuing uncertainty over the progress of reform in the common fisheries policy, manpower changes in the Commission, the lack of news about the proposals that are to be laid and the politics of it all. Whenever we discuss such matters with the industry, there is no sense that there will be any sensible breakthrough that will reform the way in which we operate at the moment. There are so many problems with the common fisheries policy that it is difficult to know where to start. We know where we would like to be, but given the size of the opposing bloc in the European Union, there will be major difficulties in reaching any sensible decision to reform the policy.

On the positive side, there is, unquestionably, progress in the industry. The hon. Member for Banff and Buchan mentioned the Marine Stewardship Council. I remember being at its launch in 1997 at 4 Millbank, its UK branch, when people were saying, "Well, it's not going to apply to us. Our fishermen are the last hunter-gatherers." There was no sense that the council was going to be anything really positive for the industry. Since then, however, there has been a sea change in the way in which the industry views itself and functions, particularly in Scotland, which has led the way in the UK and in Europe. The industry has adjusted to the new environment—its massive gear changes, technical improvements and, most importantly, cultural change. The industry now talks about itself as harvesters rather than hunters. It knows that the stock that remains has to be sustainable, which is why there is so much anger about the way in which Iceland has operated. There is also much anger about other issues such as the by-catches and the waste of resource that is allowed under the current arrangements. Haddock and pelagic stocks are now MSC-approved, which does huge things for the marketing opportunities for my fish processers as well as for others.

The other positive thing—I know that it sounds confusing to call it positive—is that trials are under way in Scotland of fishermen who have broken the rules and regulations in relation to black fish. Some 15 fishermen or vessel owners have been convicted and are awaiting sentence. How can I possibly present that as good news? Well, for most of the time that I have been speaking in these debates, black fish has been a key issue, which meant that our industry was not properly regulated. A combination of effort from various Government bodies, Grampian police and others has seen black fish put into its coffin, which is a good thing. It should have happened many years ago.

Earlier, I mentioned that the biggest problem facing the fish processing side of the industry is the availability of raw material. I know that an industry such as the one in Aberdeen that relied on white fish—haddock principally but cod as well—now deals with a whole range of products. The uncertainty makes life very difficult. My fish processers also make it clear to me that their relationship with fish catchers is not always easy. The catchers think that the processers steal the food out of their babies' mouths, and something similar is said in the other direction. None the less, at the end of the day, they know that they are linked, and the processers now recognise, as much as the catchers, the need for a sustainable industry, but they want one with more certainty.

The skills of the people in the industry is an issue, not least because the flow of new people is drying up, particularly in Aberdeen. Fish processing work is mainly done by workers from east Europe and China, who have the skills, work hard and sustain the industry. Very few young people from the UK or Scotland are coming into the industry and learning the skills that their parents and grandparents learned and passed on.

The hygiene regulations, which mostly come from Europe, are expensive and costly for the industry. Over a number of years, there has been regulation after regulation and that causes difficulty. The processers are keen to point out that unlike the fish catchers, they do not get any decommissioning costs in return.

Let me say a few words about the way in which the debate in the industry has changed. As secretary of the all-party group on fisheries, I can say that we have

[Mr Doran]

become much more engaged with external bodies, such as the World Wildlife Fund and GLOBE International, of which many Members of this House are members. The organisation Baltic Sea 2020, which is based in Stockholm, is now interested both in functioning in the North sea and in the common fisheries policy.

I return to my point about the change in culture in the industry. Representatives of WWF and of GLOBE International spoke at our all-party group a week or so ago. It was fascinating to hear them because they were speaking almost the same language as our fishing industry representatives, and that is a sign of how much things have moved on. Certainly, reading the presentations of both organisations, they are presenting arguments to Brussels that we would want to see presented by our own Government.

I have one final word to say to the Minister. Despite my outburst at the start of my contribution, I know that he is doing a good job and that he will do a good job in Brussels. I wish him well in all his travails and hope that at the end of it all he will get some sleep.

3.7 pm

Sheryll Murray (South East Cornwall) (Con): I have to declare a special interest because my husband is the owner and skipper of an under-10-metre commercial trawler operating out of the port of Looe in my constituency.

I have seen the difficulties facing the industry over a number of years. People seem to forget that each commercial fishing vessel represents a small business. I pay tribute to the work of the Royal National Mission to Deep Sea Fishermen, and my heart goes out to those fishermen who have lost their lives trying to put the fry on our plate.

I thank the Backbench Business Committee for securing this debate, but I, too, am disappointed that it did not feel that it could take place in the main Chamber, as it has in the past. I hope that time will be found during 2011 to allow a full debate on the Floor of the House on the review of the CFP in 2012. That is important to the fishing industry, the marine environment and fish stocks.

I praise the Minister for showing great determination in setting out his case for root-and-branch reform of the present destructive common fisheries policy. Perhaps he will tell us about the support that he has secured from other member states that share his view. He may also be able to tell us about the member states that have indicated that they want a simple review of Council Regulation No. 2371/2002 and a continuation of article 17, which contains the disastrous principle of equal access to a common resource.

At each Council, the EU TAC for each precious stock is decided. Fishermen from my constituency work from, and are supported by businesses in, Looe, Polperro and the Rame peninsula. They fish in ICES—International Council for the Exploration of the Sea—area VIIe, and the species they catch include area VII lemon sole, squid and cuttlefish, which are non-precious stocks. However, the Commission has proposed a 15% reduction in cod, pollack and anglerfish, which is often known as monkfish, in the area, and fishermen there rely on those stocks.

The Cornish Fish Producers Organisation has written that the Centre for Environment, Fisheries and Aquaculture Science and the Irish Sea Fisheries Board have indicated that there are signals in their official surveys of good recruitment of cod. That seems to corroborate the observations of fishermen, who are reporting a high abundance of cod in the 30 to 40 cm range. There is a strong scientific argument for saying that this stock should fit into Commission policy statement category 8, with an increase in TAC of up to 15% and no increase in effort. I urge the Minister to speak to his counterparts from France, Belgium and Ireland and to make representations to the Commission to introduce an increase, as opposed to the proposed reduction.

Andrew George (St Ives) (LD): On the point about cod around the coast of Cornwall, may I confirm from my conversations with fishermen from my constituency in west Cornwall and the Isles of Scilly that there is an abundance of cod? In recent weeks, many of those who have targeted other fisheries have found that three out of every four fish are cod of the recruitment class that the hon. Lady described. I strongly endorse the message that she has articulated, and I hope that the Minister will make sure that it is strongly communicated in the negotiations.

Sheryll Murray: I thank my hon. Friend for that support.

Pollack is very important to fishermen using static nets. There is no ICES advice on pollack, yet the Commission has proposed cutting the TAC to average recent catch levels. That approach could have unintended effects on relative stability and increase discards in individual member states, thus prejudicing fisheries-dependent scientific data.

If we reduce a TAC when there is an abundance of fish, fishermen will end up discarding fish they cannot land. Many species suffer what could be described as the bends when discarded, and they die. A parliamentary answer from the former Minister responsible for fisheries on 21 October 2008 confirmed that statistics at the time showed that 117 million of the estimated 186 million fish caught in area VII were discarded, and many may not have survived.

There is a real argument for requiring all marketable fish to be landed. Over-quota fish could be sold on the market, fishermen could be compensated for their expenses and the remaining proceeds could be invested in developing environmentally friendly fishing gear and good fisheries science. It would be interesting to know whether the Minister has sought agreement from the European Commission to run pilot schemes to identify whether such an approach would work.

The argument that too many fishermen are chasing too few fish has been used for the past 30 years. I accept that we cannot allow the fleet to continue to fish unregulated, but it does not always follow that setting a low TAC will rectify the situation. Under past regulations, quotas have been reduced year on year, with many now less than 50% of levels in 1999. According to UK sea fisheries statistics, the number of English fishermen has fallen from 7,166 to 5,358 since then, while the number of vessels fell from 7,818 in 2000 to 6,500 in 2009. A decade later, however, we hear calls for further reductions in fleet size and fishing activity.

On the UK quota management regime, I fully acknowledge that the Minister has inherited a difficult situation, particularly in relation to the under-10-metre fleet. Will he confirm that the quota management rules published on the Department's website have a legitimate standing in the UK? Had his predecessor used rule 19 to rectify the underestimate of the catch by fishermen in the under-10-metre sector in area IV, we may not have seen their quota expire earlier this year and the mackerel hand-line quota swapped to obtain fish to keep those fishermen working. That led to a critical situation regarding the hand-line mackerel quota a few weeks ago, and additional quota had to be obtained for that species. I would be interested to hear from the Minister from which source the additional 50 tonnes of mackerel were secured.

Finally, let me mention the recently approved special areas of conservation and the ongoing consultation on the four marine protected zone pilot projects. Despite a budget of £4,116,685 for consultations on those four projects, fishermen are still sceptical and suspicious. I fully accept that the designation may not result in any restrictions on fishing activity in those zones, but will the Minister confirm that he will take account of the fact that they contain sites for the disposal of dredged material permitted under Food and Environment Protection Act 1985 licences issued by his Department? If any restriction on fishing activity is considered in any of those zones, I ask that it take place only after we have ensured that an end to the further use of those dump sites is guaranteed.

My hon. Friend has inherited a difficult task, and I applaud his determination to secure a future for our marine environment and our fishing industry. Although fisheries may not be regarded as a large employer nationally, many coastal communities rely on the industry. I wish my hon. Friend well in the negotiations over the coming weeks and I thank him for the support that he has already shown the industry.

3.17 pm

Mr Alan Campbell (Tynemouth) (Lab): It is a pleasure to serve under your chairmanship, Mr Owen. I am grateful for the opportunity to contribute to an annual fisheries debate after several years of the Trappist-like silence that comes with ministerial office. I congratulate those Members who persuaded the Backbench Business Committee to allocate time for this timely debate. I welcome the Minister to his new role and to his first annual fisheries debate. I also welcome my hon. Friend the Member for Glasgow North East (Mr Bain) to his new responsibilities.

Like every speaker today, I want to place on record my disappointment at the fact that the debate is not taking place on the Floor of the House in Government time. That is not only my view, but the view of fishermen I spoke to at the weekend, who said that that is an indication of the lack of importance that Government attach to the fishing industry. I say "Government" rather than "this Government" because the problem is not just with this Government. There is a view that successive Governments have let the fishing industry down.

That is no criticism of the very good things that the Labour party did when it was in office or of individual Fisheries Ministers; in my time in office, we were well served by Fisheries Ministers. In their own ways, the former Members for Scunthorpe and for Chatham and Aylesford, my right hon. Friend the Member for Exeter (Mr Bradshaw) and my hon. Friend the Member for Ogmore (Huw Irranca-Davies) were committed to the job that they had, and they did it to the very best of their ability. I do not want to blot the current Minister's copybook too early, but I am hearing good things about him, too, and I sincerely wish him well in one of the most difficult posts in the Government. It is one of the few ministerial jobs that hardly any Back-Bench MPs envy because they recognise how difficult it is. In the previous Government, my right hon. and hon. Friends worked within the straitjacket of the common fisheries policy, just as the current Minister does. That policy has overseen the managed decline of the fishing industry, and it has not been done well.

There is a fishing fleet in my constituency, mainly based in North Shields. It consists of one boat that is over 10 metres long and about a dozen boats under 10 metres. Unusually, the infrastructure associated with a fishing port is still there—we have engineers, buyers and the fish market, as well as the excellent work of the Royal National Mission to Deep Sea Fishermen, under the inspirational leadership of Peter Dade. We have the Royal National Lifeboat Institution, and until recently we had the coastguard, although unfortunately no more. There have been recent developments in a series of regenerated buildings, and a number of excellent restaurants that make the fish quay a vibrant place.

Those in the fishing industry, however, find survival increasingly difficult and look to the Government—of whatever persuasion—and to Parliament for a lead and support. The annual fisheries debate is held before the Minister goes to the Fisheries Council, where the fishing quotas are essentially set. To the outsider, that appears to be a kind of international maritime game of happy families, where quotas are swapped but nobody comes out particularly happy at the end. From those quotas, fishermen in our constituencies must make their livelihood and live within the regime that has been created.

Fishermen in my constituency want reassurances that the Minister will get the best possible deal at the Council. In particular, I want to mention the whiting quota, which has already been referred to. I understand that there is a proposal for a 15% cut in whiting, although that goes against the view held by fishermen I know who tell me that stocks are relatively good. Far from a 15% cut to the quota, they were hoping for an increase of about the same amount. The Minister and his officials should not be swayed by the idea of an unused quota held by the Norwegians being a sign of limited stocks. It is not as simple as that. If there is a cut across the board, or a particularly severe cut to the whiting quota, it will be difficult for some fishermen to survive.

Dr Whiteford: Does the hon. Gentleman agree that it is important that unused quota is not simply given up during this round of negotiations so that we retain that bargaining position for future negotiations?

Mr Campbell: I agree, but it is easy for me—and, with respect, for the hon. Lady—to say that. To an extent, some of my remarks will work against one another. It is an extremely complex and difficult issue, which is why I do not envy the Minister his job. The hon. Lady makes an important point, just as she made an excellent speech.

Sir Alan Beith (Berwick-upon-Tweed) (LD): I would like confirmation on what the hon. Gentleman said about whiting. The view taken by fishermen in North Shields, and shared by those in Amble, is that whiting is currently a plentiful species. None of those fishermen have any quota left for whiting at the moment, and a reduction in the quota would be an awful prospect.

Mr Campbell: Indeed. I also want to gently warn the Minister against changes in quota and I will give two examples. A number of years ago, when I was able to take part in the fisheries debate, I spoke about the cuts to the cod quota. At the time, North Shields fishermen were heavily dependent on the prawn quota, and warned that there would inevitably be displacement, with boats coming from Scotland and Yorkshire. That is exactly what happened to the prawn grounds off the Northumberland coast. In areas such as the Farn Deeps, off the coast of the constituency of the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), there has been great pressure on the prawn grounds. As a result, there have been declining catches over the past four to five years.

The second unintended consequence of changing the quotas is that we end up with the terrible situation of discards, which many hon. Members have spoken about this afternoon. Fishermen who reach their quota of mixed fishes have little chance to do anything other than throw the fish back. Discards are obscene, and environmental madness. I hope that the Minister will reaffirm that discards will be a priority in the reform of the CFP, and that at long last we will do something about the situation.

There is a sense of urgency about the reform of the CFP after 2012, and I hope that the Minister will bear three things in mind. First, we need a long-term approach, rather than an annual quota. The North Sea Regional Advisory Council Advice to the Commission mentioned a 10 to 15-year plan. That was based on the experiences of multi-annual arrangements with Norway, which have proved a better way of conserving stock than the annual quota negotiations in which we take part.

Secondly, we must ensure that policy is led by science, and acknowledge that disputes do not necessarily come from the science itself and the views of fishermen, but rather because of the way in which the science is interpreted, particularly by the Commission. That leads to fishermen's suspicion that the Commission is not prepared to listen to the other side of the argument.

The third point has already been made, but I want to emphasise the importance of environmental considerations. During debates on fisheries—this may happen at the great debate in the Council—there is a danger of always seeing fishermen and scientists on opposite sides in a great battle to see who can dominate policy. The fishermen I know are passionate about the maritime environment; they choose to work and make a living in it, and if it was simply an economic matter, it would not make sense for them to continue doing that. Therefore, we should pay tribute to the contribution that fishermen make to the debate on environmental matters.

Most fishermen I know support the marine protection areas, but it is reasonable for them to ask why we are rushing to put those areas in place by 2012. They also recognise the pressure on our energy resources, and acknowledge that offshore wind farms will be an important part of renewable energy. Again, however, it is reasonable to ask what the effect will be of an offshore wind farm that runs from St Mary's in the north of my constituency to Blyth. That seems to squeeze the fishermen out of areas that would otherwise be potential fishing grounds.

I conclude by mentioning another aspect of the Minister's work. His job is not only to go to Europe and argue the case for UK fishermen, but to argue the case within government. Regional development agencies have not been universally popular in everything they set out to do and, not surprisingly, they have not been universally successful. However, One North East in the north-east was getting a good reputation and winning the respect of many fishermen, even those who were sceptical about the political process. I argued with One North East about the need for a regional fisheries policy. After the south-west, the north-east is the most important English region for fishing.

We got support for projects such as the restoration of the west quay in North Shields, and the general regeneration of the fish quay. However, one early effect of getting rid of RDAs and reducing funding was the ending of a grant to the seafood training centre in North Shields. Perhaps naively, part of my response was to go to the local authority and ask what it was prepared to do, since we understood that local authorities were going to be the basis for local enterprise partnerships. It told me that all it was able to do was facilitate discussions about the centre, and that there was no money. The result was that the centre downsized and went to Amble in the constituency of the right hon. Member for Berwick-upon-Tweed. His gain is very much our loss, although I understand that the centre is pretty much a shadow of the operation that existed in my constituency. That was an example of a response to a situation. We know about the difficulties in public finances, but hitting the traditional skills, and the safety skills being taught at the centre, had an unintended consequence on an already hard-hit fishing industry.

I shall conclude simply by saying this. Between 700 and 800 people in my constituency are still directly or indirectly employed as a result of the fishing industry. Like me, they look to the Minister—I wish him well—and to the Government to do everything that they can to ensure that their jobs survive.

3.30 pm

Andrew George (St Ives) (LD): I should not need to congratulate the hon. Member for Banff and Buchan (Dr Whiteford) on having made the case for securing this important debate because, as has been said, we should, by rights, have had this debate in the main Chamber.

At this stage, I need to apologise, Mr Owen—I apologised to the Minister in advance—and explain that the timing of the debate, which is taking place on a Thursday afternoon, is particularly challenging for many MPs from far-flung constituencies, where fishing primarily takes place, and that because of the transport problems that I shall encounter in getting to the far west of Cornwall this evening, I may have to leave just before the debate concludes. In view of that, I will do my utmost to keep my remarks brief.

On top of the excellent points made by my honourable colleague the Member for South East Cornwall (Sheryll Murray) about issues affecting our region, I want to make a number of other points. The Minister is aware of them because I sent him a note to give him notice. First, I simply want to embellish and emphasise my honourable colleague's point about the swapping of the mackerel hand-line quota during the autumn of this year. This is one of the most productive times of the year for mackerel hand-liners.

Sheryll Murray: Does my hon. Friend agree that the mackerel hand-liners pursue a very ecologically friendly fishery, and for them to lose the quota when they are fishing in such a sustainable way was doubly disastrous?

Andrew George: Absolutely. My honourable colleague has anticipated the point that I was due to make, which is that that is a very sustainable fishery. Over the years, previous Ministers will have been aware of the work of mackerel hand-liners and those who support their work. It is also a Marine Stewardship Council-certified fishery. Given that, it is acknowledged that it should be taken out of the quota system altogether. I hope that there will be opportunities for the Minister to explore that in the negotiations in which he gets involved. We are talking about people who are engaged in the use of a line rather than a net. It is a selective fishery. It does not involve tremendous power, but just the brawn, generally, of the men—and women occasionally—who are engaged in it to haul their catch aboard. It is a very primitively based fishery.

Richard Benyon: May I respond to that point and to the point made by my hon. Friend the Member for South East Cornwall (Sheryll Murray) on hand-line mackerel in the south-west? That is an under-exploited fishery and was considered good currency for swaps in the past. I concede that it was over-extended this year in terms of use of that currency. However, I can assure my hon. Friends that we will look very carefully at and work very closely with hand-line mackerel fishermen in future years to ensure that we know precisely what they think they will need and what is available as a currency swap. We will try to get it done better next year.

Andrew George: I am very grateful to the Minister for that intervention and much reassured. He replied to me on 17 November about the issues that I raised on behalf of the industry in Cornwall. I understand that what was undertaken was not done at his discretion, but was undertaken by the Marine Management Organisation, perhaps on his behalf. The point that I think he fully understands now is that it was undertaken without any consultation or negotiation with the mackerel hand-liners themselves. There was no effort at all to engage with them before the decision was taken to reduce their quota—to swap their quota—which put them in a parlous position. That is clearly absurd, given that it is the very type of fishery that we should be trying to encourage, not discourage.

My next point—again, I have given the Minister a note on it—is about protecting the engineless, under-10-metre fleet from having to face the regulations that other fisheries face. We have a very low-impact fishery in the Fal estuary—the Fal oyster fishery—which my honourable colleague the Member for South East Cornwall is well aware of. That is a sailboat-based fishery; no engined boats are engaged in the oyster fishery in the Fal. It is a Truro-based fishery. Travel difficulties have meant that my hon. Friend the Member for Truro and Falmouth (Sarah Newton) is unable to be here, but had she been here, she would have been arguing this case as well. I know that the European Commission will be reviewing the exemptions that have been granted to that fishery and potentially others.

The Minister will be aware of another fishery that is in my constituency—the traditional St Ives Jumbo fishery. Those traditional boats, which have been rebuilt in recent years and are extremely popular in St Ives bay, are a potential source of income. They, too, are engineless, 7-metre vessels, which have a very low impact on their environment. I hope that the Minister will consider very carefully the case that people will be making in that respect.

The Minister will also be aware that excellent work has been going on in the south-west, including Cornwall, with the Finding Sanctuary initiative. The purpose of that is to bring together stakeholders—fishermen and other industries, as well as environmentalists and scientists—to help to identify the potential for candidate marine conservation zones, which will be registered under the Marine and Coastal Access Act 2009. However, a great deal of concern has been expressed to me by stakeholders that there has been insufficient instruction, advice and guidance to those engaged in the stakeholder consultation, in that all the industries that will be affected by the proposed candidate marine conservation zones are in effect adding a number of assumptions whenever they agree to those potential candidate zones. They are being led along the garden path to saying, "Yes, we agree with this, on the assumption that we can carry on doing x, y or z," whether that be aggregate dredging, towing gear in a particular area in the fishing industry or, in the recreational boating or yachting community, anchoring in a particular area in certain conditions.

Of course, all those assumptions are being accepted and recorded in the process, but there has been insufficient instruction from the Department to guide people in that process. I suspect that confidence in the registration of the marine conservation zones—and indeed the MPAs—will be significantly undermined if and when, further down the track, it becomes clear to stakeholders engaged in the process that not all the assumptions that they have had recorded in the process can be granted when the marine conservation zones are finally designated.

The Minister and I debated this issue during the Committee that considered the Marine and Coastal Access Bill. It was always my concern that stakeholders should be entitled to have a significant say on the management of the zones, as well as on the designation of them. Their designation is important, but it is important to recognise that their management is as well.

I wish to make two broad points on the negotiations that the Minister will go to in a couple of weeks—the December Council. One is on the issue that my honourable colleague the Member for South East Cornwall raised about cod. The overarching point is about the basis of the science from which the proposals for the recommended TACs come. In the case of cod, there has been the tremendous success of the initiative—which was actually industry-led—to close the Trevose grounds off the north coast of Cornwall during the early months of each year,

[Andrew George]

which has been happening for more than four years. We believe—although there is insufficient science to be able to put two and two together, as it were, and to draw conclusions—that, as a result that, there appears to be very significant recruitment of cod around the coast.

The enormous abundance of cod is astonishing, especially for the inshore fleet in our area, and entirely echoes the point that my honourable colleague the Member for South East Cornwall made. For example, my constituent, Chris Bean, who has the Lady Hamilton, which is well known in our area, has had scientists from CEFAS aboard his boat for the past three weeks. They have witnessed the same things that he has; in spite of the fact that he is not targeting cod, three out of every four fish that he catches are cod—landable and of a good size. However, he cannot land them because the quota for cod is absolutely minuscule. As my honourable colleague knows, the British fleet has a tiny fraction of the available quota in area VII, because the other nations seem to take the lion's share—especially the French.

Sheryll Murray: Under the relative stability allocation, we secured 8% of the total EU TAC for cod in area VIIe. I endorse what my honourable colleague has said, and I would like to make him aware that things are even worse in area VIIe because of our very small starting point.

Andrew George: I am grateful to my honourable colleague for that intervention. It emphasises the point, although I do not think that the negotiations at the December Council will be an opportunity to reopen the issue of relative stability. I do not wish to cause earthquakes in Scotland as a result of suggesting that we do that now.

The issue goes back to the '70s and the basis on which, and how, we entered the European Union. That and the basis of our involvement in the common fisheries policy left us with a legacy that has created a complete absurdity. We are not saving any cod. Cod, due to their nature, are bottom fish. They suffer from the bends, so when they are thrown back they are dead. There is no question about that, and not a single life is saved as a result.

The Minister will have received representations from the Cornish Fish Producers Organisation. This is repeating the point that I have made to Ministers in the past on spurdog and porbeagle: zero quotas on both of those do not save a single porbeagle or spurdog. What we need is recognition that it is good for science, as well as for the industry, at least to record what is being caught, even if we do not realise the market value of the fish. I will not go into the detail of what is proposed by the CFPO on spurdog and porbeagle, but I think that it certainly has a good case on landing and recording every porbeagle over 2 metres, and that equally applies to every spurdog over 1 metre.

We need to have a further debate in future; I hope in Government time in the new year. The common fisheries policy has been mentioned on a number of occasions, and it clearly underpins everything that we are discussing today. Given that we need to look at the future of the CFP post-2012, I hope that the Minister will agree to a debate. Members who have been able to get here today and those who could not get here to engage in this debate would like, as early as possible in the new year, to debate this on a cross-party basis. These debates are often consensual, as we have found today, and we could establish a British view on the future of the CFP: a view that, as my hon. Friend the Member for Argyll and Bute (Mr Reid) mentioned earlier, would be heavily based on a decentralised model—much more decentralised than now—with genuine management powers available to regional management committees.

The absurdity of using the blunt instrument of the quota regime has been highlighted by many Members. Quotas may be needed because it is not possible to distinguish between intended and unintended by-catch, and I am sure any regime would need an indicative quota of some sort, but it is vital that we look at other measures. [*Interruption.*] I am just about to finish but I am happy to give way.

Zac Goldsmith (Richmond Park) (Con): I thank the hon. Gentleman for giving way and absolutely endorse what he has just said. Does he think that in addition to a more decentralised approach within the CFP, we should also have a much more forceful distinction in our policy response between the interests of smaller-scale, more traditional fishing communities and operations and the large factory fishing units? The interests of such units are not always aligned with those of conservationists and general mainland consumers, whereas the interests of the smaller fishing communities, as we have heard, are absolutely necessarily aligned with the interests of everyone else in the country. A clear and much more forceful policy distinction would reap great rewards.

Andrew George: I strongly support what my hon. Friend says. We have not debated, and do not have time to debate today, industrial fishing and fishing for animal feed, or the comparison between industrial scale fishing and the more artisanal approach, which I have also highlighted. I wish that we had an opportunity to debate the future of the CFP.

It was a pleasure for me to go along to support the hon. Member for Banff and Buchan on the Backbench Business Committee on 15 November in arguing that we should have at least this opportunity for debate. I am sorry that having said that I would be brief, I have taken a number of interventions and spoken for longer than I intended. I strongly endorse all the comments that other Members have made.

3.48 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Banff and Buchan (Dr Whiteford) on bringing this issue to Westminster Hall and giving us all an opportunity to contribute. In passing, I want to comment on the fact that we do not have a Northern Ireland Member on the Backbench Business Committee. If we did, this issue certainly would have been brought to its attention and perhaps we would have had an earlier opportunity to discuss it.

This is my first debate on fisheries at Westminster, although as a Member of the Northern Ireland Assembly and in my former role as a councillor on Ards borough council I have had the opportunity to debate the issue in the past. I think the reason why we are here is that every one of us in the Chamber has a personal interest in

fishing and in the communities we represent. The knowledge of fishing of many people outside of the Chamber will probably come from the TV programme, "Deadliest Catch", or the film, "The Perfect Storm". One is clearly factual and the other is fictional, but the fictional underlines the danger that fishermen face on the high seas.

Every Member in the Chamber will be aware of the December Fisheries Council and its ramifications for the UK fishing industry. In my local community, and particularly in Portavogie village, we will focus on its impact on the fishermen I represent. In the past, fishing representatives and I have taken the opportunity to speak to the Minister about the matter, as well as to Diane Dodds, Member of the European Parliament, in order to push things along.

I have been contacted by many local fishing organisations. Their representatives have reiterated that one of our problems is quayside prices, yet overheads continue to increase every year irrespective of the price. Fuel costs are another problem; the green tax has recently added another 2p per litre to our fuel prices. The plethora of fishing regulations challenge fishing vessel operators, and have led fishermen to wonder whether to stay in the industry. The latest problem in my constituency—and, I suspect, in others—is that even the smaller boats have to have monitoring equipment. The fishermen tell me that it costs them between £80 and £100 a month to run that operation. Again, costs continue to rise.

In my area, particularly in Portavogie, most of the men have worked on the boats and most of the ladies have worked in the village's two fishing factories. However, one of those factories recently closed, and people have had to go outside the village for work. In the past—again, it is the changing face of industry—they would have gone to Donaghadee Carpets down the road, but that factory is no longer going; the industry has fallen away. The other choice for a good many was to work in the civil service, but it too is facing cuts.

Times are changing, and such opportunities do not always exist. If the fishing industry has to bear any more pressure, there is every chance of more fishermen leaving their boats. That will put a question mark over the other fishing factory in the village, which would leave even more people out of work. The December review of quotas is therefore most important. It is critical for the area that I represent, and everyone there is conscious of the fact. It is imperative that the fishing industry in Northern Ireland and the rest of the United Kingdom is treated fairly.

Does the European Commission treat British fishermen unfairly? A great many of us feel that it does. Indeed, UK officials have said in the past that they share that concern. We are not saying that we should be above the law, but we want to be treated like the rest of Europe—and Europe should be treated the same as us. I have concerns about how the industry is run, and I underline the need for a sustainable industry. As the hon. Member for Tynemouth (Mr Campbell) said, the fishermen want a sustainable industry as much as anybody else. That is what we are all about here, and there is consensus of opinion on that.

In Northern Ireland in 2010, we want to stay at the forefront of innovation, including the delivery of new state-of-the-art pelagic trawlers, which represent the pinnacle of Europe's fishing industry. Significant investment in the onshore processing sector and in several modern prawn trawlers represents a vote of confidence in the future of this home-grown, privately owned industry. It is spending the money, so we need to ensure that it has Government support.

Other Members have commented on the common fisheries policy. It has to be changed, and no one here today would say differently. It behoves us all to shape that policy, and in 2012 we may have the opportunity to do so. Perhaps we will get it right, ensuring that the fishing industry is looked after. I am told by local industry organisations that UK Fisheries Ministers are telling the industry that fisheries management decisions must be based on the best available science. In 2010, we continue to have certain issues with the science, especially on the abundance of cod in the Irish sea. We find ourselves in a position where it is not so much the science that causes problems but the European Commission's interpretation of it. That goes back to earlier comments.

It is not that there is a dispute between fishermen and the scientists; it is how the science is interpreted. I have a very simplistic way of looking at things, and I see what the fishermen tell me, but the figures in the scientists' evidence show that the fishermen have the facts on their side. I urge the scientists to take that into consideration. We had the opportunity to present some facts and figures to the Minister three or four weeks ago, and I believe that the evidence that the fishermen presented to him was very much in our favour.

Things are further complicated by the application of the MSY—the maximum sustainable yield. That has less to do with science, but is a result of the political commitments signed at the Johannesburg sustainable conference in 2002. The political commitment is that fisheries must be managed through the MSY by 2015. As a result, many of the Commission's total allowable catch proposals are less to do with negative science and more to do with the delivery of political aspirations. That worries me, as it could result in proposals—indeed, it is looking likely—for a quota reduction of 15% in 2011. Many have suggested such a figure.

I never fail to be astounded by some of the things that have happened to the fishing industry. The European Commission has proposed splitting the total allowable catch area that presently covers the whole of area VII—for us that is prawn fishing, which is a large part of our local industry—into seven TAC areas or quotas. That includes two areas in the Irish sea, and it will therefore have an impact on the industry that I represent. That approach is not viable, and not only because it will remove the flexibility that the fleet has to fish in various areas around Ireland; it is believed that it will undermine the sustainability of the stock.

These figures are ours. Science states that stock has increased by 8% in the past two years. However, we have figures showing that last winter and perhaps the winter before the seas were colder and many fish were returning. That is what the fishermen are telling me, and if they had such knowledge many others would agree. Whenever we approach the Minister to express our views on fishing, I am conscious that we could present 20 views, but rather than asking him to go to the December meeting with a wish list, it would probably be better to focus on three, so I shall comment on prawns, cod and herring.

[Jim Shannon]

Fishery scientists have been calling for the functional unit management of prawns for years, and the Commission has published what I called a non-paper. However, scientists agree with the industry to the extent that area VII prawns are already managed on a functional unit basis. Individual stocks in area VII are assessed, and an overall TAC figure is arrived at. The Commission wants to depart from that tried, tested and successful arrangement, and create new TAC quotas in seven functional units. The change will be dramatic, and it will put the industry under a lot of pressure.

Are we really overfishing? For the record, so that it can be read in *Hansard*, the organisation Seafish states that 25% of stocks are underexploited and 25% are overexploited. That said, if we add all the figures together from a fishing industry point of view—and, I suspect, from our point of view as Members—we would find that 75% of global fishing stocks were giving the maximum yield or could produce more. I suggest that those are the figures that we should focus on.

As was said earlier, the Commission's change would remove the flexibility that has suited the industry and the stocks so well for many generations. For example, fishermen know that there are natural fluctuations in the stock from year to year, so if they start to fish for prawns in one part of area VII, but find the fishing slack, the current management allows the fishermen to migrate to another sea where the fishing is good. That might be to the Clyde. Fishermen from Northern Ireland have fished there for a great many years, and I hope that they will continue to do so—and I mean no disrespect to the hon. Member for Argyll and Bute (Mr Reid). Pressure will be taken off the grounds where the fishing is poor, the grounds will recover, and the cycle will continue, but with the Commission's approach, some fishermen will find themselves restricted to particular areas, and if fishing in that area is poor they will not be able to migrate. Pressure would be maintained in those areas, but with what effect on the stock?

The Commission, with the support of member states, has effectively created a single species fishery in the Irish sea that is dependent on prawns, but that fishery has been successfully managed through a system of self-regulation for decades. The compromise would seem to be documenting the success of the current self-regulatory system, and agreeing a long-term management plan for the area VII prawns, which would provide built-in safeguards for the stock and the fisheries that increasingly depend on that stock. A statement from the Fisheries Council advocating that approach would be our preferred way forward.

On cod recovery, I have to make a case for white fish and the cod men. Not too long ago, we had a fishing industry with 40 boats fishing for cod. We are now down to five. That is a cause for concern. The Commission proposes a 50% cut in the Irish sea TAC and another 25% cut in the number of days at sea. I do not know whether hon. Members are aware of any other industry where people are allowed to work only a certain number of days in the year. It is almost incredible.

When the long-term cod recovery regulation was agreed in November 2008, it contained a commitment to review the plan after three years. That review should occur in 2011. The industry was encouraged to hear recently from Department for Environment, Food and Rural Affairs officials that the review should be fundamental in nature and not, as the Commission previously suggested, an examination of the 2008 regulations.

In 2000, the Irish sea became the first European sea area to be subjected to EU cod recovery proposals. Overall, a sense of pessimism remains about the stock, despite observations from the fleet. A project instigated by Northern Ireland fishermen, with the support of Department of Agriculture and Rural Development fisheries scientists and funding, has proved that fishing gear deployed in the Irish sea by the local fishing fleet has exceeded ambitious targets on what the European Commission considers the most vulnerable fish stock—cod. During 2006 and 2007, fishermen discussed with local fisheries scientists various plans and ideas to address the problem. The result was launched in 2008, when fishermen from Kilkeel, Ardglass and Portavogie were trained to self-sample their catches. In addition, independent observers were employed to go to sea with trawlers to monitor catches to see what was retained on board and what was discarded.

At a recent meeting in Belfast, industry representatives were presented with the results of that pioneering work, which has become the biggest scientific fisheries sampling programme in any sea area around the United Kingdom. Before the latest evidence was obtained, the European Commission used models designed for fisheries in the North sea and elsewhere to estimate the amount of cod discarded in the Irish sea. Its guesstimate for 2008 was that 738 tonnes, or 80%, of all cod caught by Northern Ireland fishermen, had been discarded, but the scientific evidence, which the Department agreed, showed that the total discard by the entire Northern Ireland fishing fleet in 2008 was 2.8 tonnes, or 1.5% of the catch.

The facts are clear. While fishermen in other areas continue to explore ways to reduce cod discards and monitor their positive results, such as CCTV and catch quota trials in the North sea, Northern Ireland fishermen, working with fishing scientists, have delivered. However, their work will not stop there. A new project, which seeks further to reduce discards of whiting and haddock, is already being planned.

The actions of the Faroe Islands and Iceland have shown that the EU is not in control of fisheries. Those countries must take a sensible approach. It grieves and annoys me that after we bailed out their banks, they show their gratitude by taking our fish. It is understandable that we should be a wee bit annoyed. The EU must take into account the views of those who are on the seas every day, whose livelihoods depend on stock replenishment and who know the seas better than any scientist flown in. I wish the Minister well in his endeavours at the December meeting. I hope that this does not put the scud on him, as we say back home, but we are impressed by his knowledge of and interest in fisheries, and we look forward to what he will bring back.

I apologise on behalf of my fellow Northern Ireland MP, the hon. Member for South Down (Ms Ritchie), who could not attend this debate because she could not get here. Now I am in a predicament: can I get home? I hope that I can. I ask the Minister to take account of and act on what he has heard this afternoon. The days of passively accepting EU directives to the detriment of our fishing industry must be over. Fairness and equality

must now be the catch of the day, and the House must do the background work to serve a palatable meal for our fishermen.

4.3 pm

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I am grateful for the opportunity to speak in this annual parliamentary debate on UK fishing policy. I congratulate the hon. Member for Banff and Buchan (Dr Whiteford) on opening the batting, hours before somebody else opens the batting down under. I also congratulate the Backbench Business Committee on granting this debate. It is important, and it would be helpful if next year, this debate took place in the Chamber.

Over the past 10 years, as the Conservative candidate and now the Member of Parliament for Plymouth, Sutton and Devonport, I have become aware how totemic the issue of fishing has become on the peninsula and how it can become the conduit for anti-EU sentiment. It goes much wider than just fishing. When I was a parliamentary candidate, I consistently said that I would say to Ministers that Plymouth is not Portsmouth: we are not 20 minutes away from Bristol and we would be very grateful if the Government took real notice of what happens in the south-west and on the peninsula, especially in relation to fishing.

Fishing is one of those issues that appears very regularly in the *Western Morning News*, the *Herald* in Plymouth and, of course, on the BBC's "Spotlight" programme. It is a very important community issue, which I believe receives great emotional support as well. I am afraid that Edward Heath's 11th-hour intervention and subsequent Government decisions to give Europe a greater say over our fishing policy, which affects our communities, was a very big mistake. It has made many of our fishermen very sceptical about the CFP and consequently very sceptical about some of the EU's conservation proposals too.

Many of our fishermen are horrified that the Austrians, who have no coastline whatsoever, should be able to have a say on the CFP, while other British fishermen feel that the UK Government gold-plates much of our EU fisheries regulation, whereas in Spain, of course, the inspectors are hundreds of miles away from the Spanish fishermen and ports, very rarely visiting them, and they are very lax on enforcement too.

Last Friday I spent the whole day, along with my hon. Friend the Member for South East Cornwall (Sheryll Murray) and the hon. Member for Plymouth, Moor View (Alison Seabeck), seeing first-hand how Plymouth is a major global player in marine scientific research. I firmly believe that Plymouth needs to make more use of that research, to rebalance the economy, which is very dependent on the public sector. That research can help our economy immensely.

Our day included going to see the Royal Navy, Plymouth Marine Laboratory, Plymouth university, the Marine Biological Association, the Sir Alister Hardy Foundation for Ocean Science and the National Marine Aquarium, all of which I am delighted to say are based in my constituency of Plymouth, Sutton and Devonport. Although I would say this as a Plymouth MP, it was rather unhelpful that the previous Labour Government decided to put the Marine Management Organisation up in Newcastle rather than in Plymouth, although I am sure that that is something that might be reconsidered at a later date.

I very much want to invite my hon. Friend the Minister, who is responsible for fisheries, to come down to Plymouth to see some of the very good work that is taking place in the marine industry. If he would like to come and do that, I would be delighted to welcome him.

Mr Alan Campbell: As someone who was involved in lobbying for the MMO to come to the north-east, I just want to put on record that everything that the hon. Gentleman has listed as existing in Plymouth also exists in the north-east.

Oliver Colvile: I thank the hon. Gentleman for that. I am aware that Newcastle university has a very big role to play in that regard too. However, for my part of the world, it is important that we try to make sure that we have a strong way to ensure that our economy works. I also believe that all of this activity, if it works properly, can help to encourage major economic clusters. Having said that, I am aware that there can occasionally be real tensions between people in the fishing industry and people involved in conservation at the National Marine Aquarium and Plymouth university.

It would be very helpful if my hon. Friend the Minister could double-check and make sure that Natural England has used the correct process to assess marine conservation zones and that any further environmental proposals are consulted on widely with my local fishermen. I fully support the National Marine Aquarium's concerns about the amount of foreign industrial fishing that takes place within our waters. During the past 10 years, I have consistently campaigned for UK fishing waters to come back under UK control and I want to confirm that commitment again today. I am delighted to report that academics at Plymouth university have told me that they are quite receptive to that proposal, which they regard as a way of trying to conserve some of our fishing stocks as well.

Many Members who have spoken, and those are still to speak, are significantly better informed on the whole issue of fishing than I am ever likely to be. I refer especially to my hon. Friend the Member for South East Cornwall, who has demonstrated a good knowledge from a very personal point of view. I am therefore not going to get too involved in some of the technical aspects of fishing policy. Over the next few minutes, I want to talk about recreational sea angling and ask my hon. Friend the Minister what plans the coalition has to protect the UK's premier recreational fishing industry from the over-fishing that currently takes place in UK and EU waters.

In the run-up to this debate, I heard from a number of recreational anglers who are very concerned that the UK is losing out to the Irish. Some 20 years ago, the Irish decided to ban all commercial fishing for bass, and chose instead to focus on the substantial value of bass fishing as a recreational sport. Last night, one of my constituents wrote to me, telling me how he and many other British residents travel to the Republic of Ireland to spend up to 16 weeks a year angling for sea bass. He noted that the Irish Government are delighted with the huge revenue that visiting anglers produce, and he suggested that I ask the Minister if there were proposals to

[Oliver Colvile]

introduce similar legislation in Northern Ireland and other parts of the UK. I appreciate that there is a balance to be struck between the economic contribution that this species makes to Plymouth fish market and the protection of our recreational sea anglers. I must stress that I want to be supportive of Plymouth fish market and ensure that it is not affected.

I will not ask the Government to ban all commercial sea bass fishing, but I would be grateful if my hon. Friend explained—either now or at a later date—what measures the Government are proposing to introduce to help the substantial Plymouth-based charter fleet and the 240,000 British people who, according to *Invest in Fish South West*, go fishing in the south-west each year and depend on there being fish to catch.

I am aware that devising fisheries policy is complicated and that the Government have to strike a balance between the fishing industry and conserving our fishing stocks. I am also aware of the ways in which fish benefits our health, thanks to the Chestnut Appeal, which is the Devon and Cornwall prostate cancer charity. It regularly tells me that I should eat significantly less red meat and more fish, and I should take notice of that. I believe that Plymouth and the south-west have a proud fishing heritage. We now face a practical and scientific challenge to ensure both that we protect our fish stocks and that our fishing industry is able to flourish in a sustainable manner.

4.13 pm

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I am grateful for the opportunity to contribute to this debate. I am conscious that there are a number of other Members who wish to contribute and that we need to give the Minister an opportunity to respond to the points that have been made, so I will try to be as brief as possible.

I congratulate the hon. Member for Banff and Buchan (Dr Whiteford) on securing the debate, and I associate myself very much with her comments about the Fishermen's Mission and the Royal National Lifeboat Institution, which does a superb job protecting people around our coastline. I am almost unique in this Chamber today in that, as far as I am aware, there is no fishing fleet in Rutherglen and Hamilton West; indeed I would be surprised to find that there was. Perhaps it is the same in the constituency of my hon. Friend the Member for Glasgow North East (Mr Bain), who is on the Front Bench.

I was keen to contribute to the debate as someone who, 10 years ago, worked in the former Ministry of Agriculture, Fisheries and Food. Having attended a number of Fisheries Councils in that capacity, I genuinely wish the Minister well for the negotiations later this month.

As many hon. Members have said, the need for reform of the CFP is a long-standing issue, and one that has been raised by hon. Members on both sides of the House for a number of years. In some ways it is disappointing that, almost 10 years since I last had some degree of familiarity with fishing issues, so many of them have not changed much. That speaks to the compromise that sometimes seems to happen in European negotiations, particularly when fisheries issues and other issues are played off against each other. It is one of the less attractive features of how European issues are sometimes discussed and negotiated.

I am sure that the Minister will do all that he can to stand up for the fishing industry and to look at CFP reform as the opportunity presents itself next year or in following years. I am sure that he will make the case to colleagues in other Departments that fisheries should not be considered to be at the margins of European discussions, because they are vital to a range of communities that are well represented today and to the sustainability of both stocks and an industry that is a key economic contributor in several places. The Fisheries Council meeting in December is also important because it will come ahead of those negotiations on the CFP and therefore is a crucial opportunity to set the standard. I think that it will be used more widely as a barometer for where the debate on the fishing industry is going.

There is an important balance to be struck between the sustainability of stocks and the sustainability of communities and industries. I am sometimes depressed by the way the debate is characterised. Other Members have suggested that there can be almost a caricature of scientists against fishermen, but I know from my discussions with representatives of the fishing industry that that is by no means a fair reflection of where the industry is. There are other measures that the Government should look at when trying to marry those two objectives, because the overall policy goal, by and large, is shared.

Looking further at how we move from the sometimes cumbersome system of total allowable catches to catch quotas and the consequent reduction in discards is an important part of that. Early trials of on-board monitoring for fisheries in England and other areas have produced positive results, but that needs to go alongside rule changes as well, because one without the other will not allow that system to work properly if it is adopted. I hope that the Minister will take that stance in his discussions and meetings later this month and in the next few months.

I have had the opportunity at the last two DEFRA Question Times to raise with the Minister the mackerel quota dispute with Iceland and the Faroes, which other Members have mentioned. I appreciate that he made it clear on both occasions that the unilateral approach was unacceptable and that he shares the views of many who have expressed concern about how that situation has arisen and the fact that it is not resolved. I take this opportunity to implore him again to do everything he can to try to resolve that issue. As the hon. Member for Banff and Buchan made clear in her contribution—she obviously has a strong constituency interest—there needs to be a negotiated settlement, but one that is acceptable to the people whose livelihoods depend on that fishing.

The need for reform of the CFP is widely accepted, but it is difficult to achieve. I appreciate that the job that the Minister will have to do over the next few months is difficult, and I am sure that he will have picked up from the debate that there is a great deal of support for him and a recognition of the difficult nature of that job. I hope that those discussions on CFP reform will look at regional fisheries management. I know that there are issues about the extent to which such management is a regional matter and that the Scottish Government have expressed the view that it should be done at a Scottish level and not below. There needs to be appropriate

flexibility in moving to regional fisheries management. However, the credibility that will come from that will help the Minister in the task that he faces. It will also help to move to longer-term management plans, which I think have a key part to play. Every year, just before Christmas, there is an opportunity for the wider media finally to pay a bit of attention to the fisheries industry, but they do so in a way that is caricatured almost as a "stay up all night, and who yawns first loses out" approach, which is not helpful. We should move to a much more sustainable position.

I would also like the Minister to respond, if he can in the time that he has, to three further points relating to fisheries that are of concern to people to whom I have spoken in recent months. First, regarding the future of the under-10-metre fleet, I know that work was being undertaken by the previous Government and I hope that that work is continuing under the current Government. Secondly, does the Minister intend to use the Hague preference during the negotiations later this month? Thirdly, what update can he give us in relation to the attempts—attempts that began under the previous Government and that I hope will be continued under this Government—to protect blue fin tuna? That is a very important international issue, stretching outside of EU issues and involving fisheries more widely. Moreover, what discussions has he had, or is he planning to have, with his Maltese, French and Italian counterparts?

Given that other Members wish to speak, I will curtail my remarks there.

4.21 pm

Dr Sarah Wollaston (Totnes) (Con): I am fortunate to represent Brixham and fishing is the absolute heart of Brixham. The catch there is worth £17 million a year. The jobs involved are not just those at sea; there are many more related jobs on land. That is particularly important in Torbay, where there are 3,500 people claiming jobseeker's allowance.

The English channel fisheries are worth more than £70 million a year at first sale and 60% of that money comes from non-quota species, such as scallop, crab, bass and lemon sole. That is particularly important because, for its size, the English channel is the richest sea area—in pounds per square mile—in European waters.

Of course, those rich fisheries exist because of rich habitats. We all understand that the Minister has to tread a very careful line between protecting habitats and protecting livelihoods. However, when he signs statutory orders protecting sites, he creates offences that carry penalties of £50,000 or more and he needs to take great care to ensure that areas closed to fishing are absolutely necessary and evidence-based, in terms of giving a chance for regeneration of fish stocks that can then contribute to fishing livelihoods.

Commissioner Maria Damanaki has recently praised the work of trawlermen in Brixham who are involved in Project 50%. In that project, skippers such as Shaun Gibbs work closely with net designers, including Darren Edwards in Brixham, to innovate at their own expense, by designing new gear that allows small fish to escape and that significantly reduces the by-catch. In fact, they have managed to reduce discards by more than 50%, which of course saves fuel, preserves stocks and reduces the impact of the benthic species.

I ask the Minister to press the case for such projects to be recognised and to provide an incentive for others to follow suit, by rewarding them with increasing quotas for the key target species, such as Dover sole, anglerfish or monkfish and plaice. It is also very important that he recognises that the Commission's proposal to change the management regime of channel plaice, particularly in areas VIId and VIIe, would have far-reaching implications beyond the simple quota tonnage numbers. Those areas are currently managed in combination, but if they are split that would result in a large increase in discards in area VIIe, which is the western channel, particularly in the beam trawler fisheries in my constituency.

I think that we would all agree that policy drivers must be consistent. There is no point having projects such as Project 50% if we are going to see discards driven up by measures that are poorly thought through and by policies that are, frankly, inconsistent. Has the Centre for Environment, Fisheries and Aquaculture Science been asked to conduct a full regulatory impact assessment of the Commission's proposal, including an assessment of how many perfectly healthy plaice will be thrown back into the sea dead if a mixed fishery catching sole is unable to land perfectly good plaice over quota? I call on the Minister to resist the proposal to split areas VIId and VIIe for that reason.

The Commission proposes a 15% increase in the available catch of sole, but it is accepted that the TAC for area VIIe should not have been reduced by even 5%, because, as I understand it, the status quo would have yielded a full improvement in the spawning stock. As my constituents see it, the only fair outcome is the full, scientifically justified 19% increase in the TAC for 2011, and I hope that the Minister will press for that.

The skate distribution among member states is unfair. We recognise that it is unlikely to be reworked, so I call instead on the Minister to press for an increase in the quota so that skippers can land what they catch rather than discarding skate. We all recognise that current arrangements are not preserving stocks; they are just causing dead fish to be thrown back into the sea.

We believe that sprats are not depleted. One of the many daft Commission rules is "use it or lose it". I think that many Members here share my hope that the Minister will resist further reductions for under-utilisation.

I represent not just the beam trawler fleet but the under-10-metre fleet. I am sure that the Minister recognises that the two fleets sometimes have conflicting interests, but there are issues common to them both. They both agree that the "use it or lose it" proposals are counter-productive, particularly when it comes to the under-10-metre fleet. Skippers pay large sums to acquire vessels, often with a high premium because they come with a shellfish quota that the skippers do not wish to use. I hope that he will look into that issue. Such skippers are also disadvantaged because they must often buy vessels that are under-equipped in engine power to fish safely or efficiently. They would like me to draw to the Minister's attention the unfair discrimination that they face when compared with the recreational and charter fleet. They often fish alongside such vessels, using the same methodology, but they face expensive restrictions in terms of training courses and qualifications, and of course the charter and recreational fleet has no quota. I call on him to consider that issue.

[Dr Sarah Wollaston]

I extend the Minister a warm invitation to come back to Brixham. He kindly visited before the election, but at that time we had not completed our wonderful new fish market, which was funded in part by DEFRA. I know that all my colleagues in Brixham would warmly welcome him. I close by paying tribute, again, to the work of the Royal National Mission to Deep Sea Fishermen, the RNLI and the coast guard.

4.28 pm

Peter Aldous (Waveney) (Con): it is a pleasure to serve under your chairmanship, Mr Owen. I am grateful for the opportunity to speak in my first annual fisheries debate. Like others, I wish it were taking place on a larger stage, which would have done credit to the industry that we are here to represent. I congratulate the hon. Member for Banff and Buchan (Dr Whiteford) on securing this debate.

Although I am pleased to be here, I am acutely aware that these are difficult times for the fishing industry in Lowestoft, in my constituency, and around Britain. In many respects, the industry is in the last-chance saloon. It is up to all of us to ensure that it is sustainable and not only conserves fish stocks but gives our constituents who work in the industry a viable future in which they can earn a reasonable living and have the certainty needed to make long-term investment decisions.

As I said in the Adjournment debate that I secured on 14 October, the Lowestoft fishing industry is a shadow of its former self. However, I believe that it could have a viable and brighter future if the European Commission and the Government make the right decisions now and in the coming two years. To get to that better future, a number of obstacles need to be overcome and a number of vested interests challenged. A difficult and tortuous road lies ahead of us.

I would like to thank my hon. Friend the Under-Secretary for the way in which he has approached what many may regard as an unenviable task, and some may describe as a poisoned chalice. He has been to Lowestoft to meet fishermen on two occasions, and this morning he hosted a delegation of fishermen from Suffolk to listen to their concerns and hear their ideas for the future of their industry. One of those fishermen is in the Public Gallery this afternoon and I thank him for listening to us.

Time is short, so I shall first set out the problems that confront the Suffolk fishing industry, and then make some proposals for the way forward towards a brighter future. In my opinion, five problems need to be addressed. First, the current regime fails to achieve its prime objective of conserving fish stocks, and causes untold damage to the marine environment. Young fish are caught before they are mature and there are no adequate incentives for the management of stocks.

Secondly, the current regime is not only bad for fish, it is bad for fishermen. The industry lurches from one crisis to the next, and it seems that the role of each successive Minister is continually to apply a sticking plaster to ensure that a particular fishery or group of fishermen gets over those crises. Fishermen find themselves unable to make a living or make long-term investment plans. Ultimately, many leave the industry.

Thirdly, one immediate problem faced by the industry is ensuring that fishermen survive the next year before the review of the common fisheries policy in 2012. The initial prognosis is not good: Lowestoft fishermen are faced with a cut to their whiting quota from 4 tonnes to 500 kg per month. The European Commission's proposals for TACs and effort control mean that British fishermen are facing severe cuts in quotas. Regulation by TACs is a flawed process, and I question whether some of the proposed quota reductions are based on genuine, well-founded science.

Fourthly, we must throw overboard the obscene practice of discards as soon as possible. It is destroying fish stocks, it repulses fishermen, and the British public are appalled by it. As I mentioned in my Adjournment debate, in Suffolk we estimated that in five days in late September, nine under-10-metre boats threw overboard 11.5 tonnes of skate.

Finally, the British under-10-metre fleet gets a raw deal. It makes up 85% of the British fishing fleet, but it gets under 4% of the available quota. Today, most of the Lowestoft fleet is made up of under-10-metre boats that fish inshore in a sustainable way with long lines. That is the type of environmentally friendly industry that we should be encouraging. At the forthcoming CFP review, that fleet must receive a more equitable share of the quota.

Looking to the future, the first challenge to confront in the short term is to ensure that our fishermen get the best possible deal in the forthcoming Council of Ministers on 13 December. The Minister's task is not an easy one and I urge him to do all that he can to secure the best deal for Britain. The National Federation of Fishermen's Organisations set out a clear guide on the course that he should pursue, and I urge him to challenge the science behind the Commission's proposals, which in many respects appears illogical.

There is also a role for our MEPs, as this year for the first time, fisheries policy needs to be agreed jointly with the European Parliament. The future of many fishermen depends on whether those negotiations can provide them with an income with which to pay their mortgages and living expenses. If they go out of business, the boats go, as does much of the supporting infrastructure, and they will never come back.

Looking ahead to the CFP review, much good work has been done on which the European Commission and the Government can build. That includes the SAIF—sustainable access to inshore fisheries—report from August 2010, work by the WWF and GLOBE, and the catch quota pilot study carried out by the Centre for Environment, Fisheries and Aquaculture Science, CEFAS, details of which were set out in its interim report in September.

I urge the Minister to pursue a four-pronged approach. First, there should be a move away from the current top-down micro-management that has worked so badly and led to so many of the problems faced by the fishing industry today. In future, the EU's role should be to set high-level objectives. The day-to-day management of fisheries should be carried out locally by fishermen, CEFAS scientists and a more streamlined regulator. It may be that the Marine Management Organisation should devolve its responsibilities to the inshore fisheries and conservation authorities.

Secondly, there must be an increased use of science, with fishermen themselves playing the lead role in monitoring the amount of fish caught and recording that activity. That information can be used to manage fisheries in a proactive, responsible and sustainable way. It is vital that all parties work together and that trust, which has been missing in recent years, be re-established. It is important to remember that fishermen are the custodians of the sea. Lowestoft fishermen always say that they do not wish to be aboard the vessel that catches the last fish. Fishermen want to create and then manage sustainable fisheries.

Thirdly, a variety of tools should be used in the local management of inshore fisheries. It is such fisheries that I am concentrating on, as the Lowestoft fleet is almost exclusively an under-10-metre fleet today. Effort control in the form of a maximum-hours-at-sea approach has a role to play in eliminating discards, but other controls should be used as well, such as catch limits and a variety of technical measures.

Finally, there must be an equitable redistribution of quota to ensure that the inshore fleet is treated fairly. The quota system needs to be put on a more commercial footing, rather than being based on "grandfather's rights". It is very much the elephant in the room. If necessary, the legal status of quotas needs to be clarified and challenged.

I am grateful to you, Mr Owen, for bearing with me. In conclusion, I wish the Minister well in the tough and difficult negotiations that he faces both in the next few days and over the next year or so. He has approached his job with serious resolve, enthusiasm and a willingness to listen. Many people and communities around Britain are dependent on him for a successful outcome to his negotiations both next month and at the CFP review. I wish him well.

4.37 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a great pleasure to address the annual fisheries debate for the first time. That delight is slightly diminished by the fact that England did not win its World cup bid. However, that disappointment will be temporary, whereas the disappointment that fishermen face every day over the fact that their industry is being decimated is beyond comparison.

I thank the hon. Member for Banff and Buchan (Dr Whiteford) for leading the charge in securing this debate. I was delighted to accompany her when she put her case to the Backbench Business Committee. I suggest to colleagues that on the first Monday of November next year, we all go to the Backbench Business Committee and secure the rightful place for this debate in the main Chamber. The hon. Member for Aberdeen North (Mr Doran) points at the Minister. He will have voted, I think, for the Backbench Business Committee's reforms. I understand that in the Wright report, it was decided that the Committee would take on the role of allocating debates, such as the annual fisheries debate. As often happens in politics, voting for something sometimes has unintended consequences. However, this is the reality for this year. For next year, we should all club together and go to the Committee.

I want to congratulate my constituent, Mr Wightman, who has come to London for this debate. He had, I believe, a successful meeting with the Minister earlier. He fishes from a boat called Maximus out of the port of Lowestoft, which is in the constituency of my hon. Friend the Member for Waveney (Peter Aldous). I pay tribute to him for sitting through this debate when he could be out fishing instead.

Fishing may not be the biggest industry in my constituency, but it is an iconic one. The whole area to the north of my constituency is called Sole bay, and for a good reason. It includes places such as Aldeburgh, Southwold, Dunwich, Felixstowe Ferry and other places such as Orford, which have a different kind of fishing. I am surprised that no Member has yet claimed to have the best fish and chips in their constituency, so I will make my bid for that. Although the Minister came to my constituency to look at coastal erosion and meet some fishermen, sadly, we did not have time to stop for fish and chips. If he comes again, I will make sure that that will be our first port of call.

I pay tribute to local fishermen and councils for their efforts, with the support of my hon. Friend the Member for Waveney and our MEPs, to secure significant investment to upgrade the fishing facilities in Southwold harbour. We secured a grant from the European fisheries fund. If colleagues have not had the opportunity to do so, I recommend it. It is a good source of financing to keep our industry going.

Ultimately, however, what will keep our industry going is not fancy facilities but the ability to fish. It is a great irony—hon. Members might remember this as a classic pub quiz question—that the only foodstuff not rationed during world war two was fish, but today we are debating the rationing of fishing. As has been said, it is likely that the total allowable catch will decline in the next agreement, even though the Minister, who has been outstanding during his short time as Fisheries Minister, will fight the good fight. I wish him well.

The fishing fleet in my constituency is an inshore fleet. As has been said, that is substantially the highest proportion of the fleet, with a tiny amount of quota. I know that Commissioner Damanaki has recognised the important cultural role that fishing plays in coastal communities. It enhances the social and economic fabric as well, which should not be underestimated. Different experiments in managing fisheries have been undertaken. It would be worth while for the Minister to go back and look at some of the trials in the eastern sea area to see what worked and what did not.

In a way, I did not appreciate the importance of fishing to my constituency until that became clear in the summer, when fishermen were suddenly prevented from fishing. Although I should not use unnecessary hyperbole, the consequences in terms of the community's reaction, never mind the fishermen's, were absolutely astronomic. Again, I pay tribute to the Minister, because I know that he worked exceptionally hard to get the quota swaps. I understand from my hon. Friend the Member for South Thanet (Laura Sandys) that the fishermen's subsequent quota was higher than last year's, thanks to the Minister's good efforts. Although I do not have the data to back that up, I believe it to be true.

Discard rates have been mentioned, as has the distortion of quotas by the fact that discard rates are automatically calculated in. That seems somewhat ridiculous. Discards

[Dr Thérèse Coffey]

happen, as has been said. I am interested to hear about Project 50%, to which my hon. Friend the Member for Totnes (Dr Wollaston) referred. I hope that the Minister will consider ways not so much to improve efficiency as to reduce discards, especially in our inshore fleet.

On a slightly different subject, other barriers to fishing include marine conservation zones or offshore wind farms, both of which are prevalent off the coast, as my hon. Friend the Member for Waveney will know. Natural England and other organisations have been proactive in engaging with fishermen on the issue. I believe that my constituent has been involved in helping map out areas where fishermen can still fish. However, as he convincingly pointed out to me earlier, they are effectively doing it blindfolded, because they do not know what the Marine Management Organisation is doing in its plans for sustainable management. It should be a round-table discussion rather than a bilateral one.

Views differ on offshore wind farms. Developers seem to suggest that wind farms provide a haven for fish and are therefore good things. I am not convinced by that, but at some point during the summer, I am due to visit a wind farm, and I hope that the company will allow me to bring along a fisherman as well. Fishermen in my constituency have made a relevant point about the operational effectiveness of the MMO. I am conscious that that is a new organisation. However, I understand that the leadership and directors have already changed on a regular basis. That brings into question the credibility of the leadership of the MMO. Instead of being focused on internal matters, it should focus on fish and fishermen. I do not expect the Minister to criticise the MMO, but perhaps he will reflect on and express his view of its first months of operation.

As my hon. Friend the Member for Waveney and other hon. Members said, it would be useful to have a discussion about how we can devolve the management of fisheries locally. I shall give an example. The people to whom I spoke in the summer suggested that it was all well and good for the MMO to say, "Right, you can now go and fish cod," but it said that when there were no cod there; they had already moved on. It is that inflexibility that concerns people. The fishermen know what they are doing. I appreciate that the MMO must have a process for deciding what can be fished and for closing different areas and so on, but those decisions seem to be completely unlinked.

There is a joke in our part of the world that there are more "policemen" dealing with fishermen than there are real policemen dealing with criminals. That is an interesting set of priorities. As has been said, there is another distortion in relation to leasing of quotas, which are a valuable commodity. In the past, Governments have boldly adopted the notion of trying to get leaseholders to become freeholders, with some element of compulsion. Although I appreciate that such decisions cannot be made on the back of just one or two conversations, perhaps the Minister will take that into account when considering this issue in future.

Fishing is an inherent part of our country's heritage. It is an inherent part of what makes us special as an island. It is an inherent part of the good foodstuffs that we should be encouraging people to eat every day. I am proud to serve a coastal constituency. I recognise the excellent contributions made by other hon. Members. I am sure that although the Minister is not from a coastal constituency, there are plenty of fishermen in his area, even if they fish just for recreation.

Fishing is one of our most important industries, but it has been treated shamefully under the common fisheries policy. Hon. Members have asked whether we need a common fisheries policy. I believe that it has been a disastrous experiment, and one of the things that one learns as a scientist is not to keep doing the same experiments and expect to get a different result. It is a case of what could be; we need to take it forward in a new way. We do not rely for our defence solely on the European Union. In fact, we do not at all; we use NATO as the appropriate organisation for that. It seems ridiculous to constituents that landlocked countries have a say on fisheries in the Agriculture and Fisheries Council.

Perhaps there is an opportunity to move forward with people outside the European Union and have a fisheries council just of fishing countries, which work together to make a difference. Who knows what the future holds for fish? I hope that it is a thriving future. Some policies seek the restoration of fish stocks, but the same policies also result in the decimation of the fishing industry.

Albert Owen (in the Chair): I am grateful to hon. Members who have attended the debate, including the 12 Members who have made speeches. Before I call the Front-Bench spokesmen, I would like to say that I have taken note of what was said about the debate not being in the main Chamber today. I shall ask the Member who initiated the debate to make her concluding remarks after the Minister—he has agreed to this—has made his concluding remarks. I call Willie Bain.

4.49 pm

Mr William Bain (Glasgow North East) (Lab): It is a pleasure to serve under your chairmanship, Mr Owen, for what I think is the first time. I congratulate the hon. Member for Banff and Buchan (Dr Whiteford) on securing this important debate before the annual European Fisheries Council later this month. She has spoken with great fluency and passion about the crucial link between the fishing industry and the local economy in Peterhead and across her constituency and, indeed, Scotland, which constitutes about 70% of the UK fisheries industry. However, as we have also heard in the debate, fishing is crucial to community life in much of the rest of coastal Britain, from the south-east to the south-west and, indeed, to the north-east of England, too.

Let me commend the contributions that have been made by my hon. Friends and other hon. Members. I thought that the hon. Member for Argyll and Bute (Mr Reid) spoke with great authority on the issue of decentralisation and the need to emphasise decentralisation in CFP reform. My hon. Friend the Member for Aberdeen North (Mr Doran), the hon. Member for South East Cornwall (Sheryll Murray), my hon. Friend the Member for Tynemouth (Mr Campbell) and the hon. Members for St Ives (Andrew George), for Strangford (Jim Shannon), for Plymouth, Sutton and Devonport (Oliver Colvile), for Totnes (Dr Wollaston), for Waveney (Peter Aldous) and for Suffolk Coastal (Dr Coffey) all spoke eloquently about the importance of fishing in their communities.

which range from the north-east of Scotland to the south-west of England. I think that the theme that ran through all their remarks was the need in CFP reform to tackle the shameful issue of discards.

My hon. Friend the Member for Rutherglen and Hamilton West (Tom Greatrex) spoke, of course, with the authority of an "insider" from the old Ministry of Agriculture, Fisheries and Food days. I thought that he spoke extremely well and insightfully about the need for CFP reform.

Let me also associate the Opposition with the remarks made by several hon. Members about the contribution that the RNLI and other coastal services make to the fishing industry and indeed to Britain as a whole.

This has been an exceptionally enlightening and consensual debate and the only thing that would have improved it would have been if it had taken place in the main Chamber. I hope that that will be remedied in future years.

As the EU prepares to consider radical reforms of the CFP, there are several factors that the Opposition believe should inform that debate. First, the status quo on the annual setting of fishing quotas should no longer be an option. A longer-term approach is required to provide greater sustainability and certainty in the conservation of fish stocks, particularly cod stocks, regarding the connected threats of ocean acidification and climate change, and to provide greater security for the fishing industry itself. Multi-annual management plans might cover 30% of total EU catches for 2011 and indeed 80% of fish by weight caught by EU fishermen this year, but the ambitions of the Government and the EU must be to raise those levels quickly.

Secondly, EU Fisheries Ministers should be moving towards greater regional management of fishing waters, as many hon. Members have reflected upon during this debate. Thirdly, a reduction in the unacceptable levels of discards and by-catch is vital. The EU must reform the system so that the levels of fish caught are given greater priority in the regulatory approach that is adopted, as opposed to the quantity of fish that is landed onshore.

Let me develop each of those points in turn. There is an overwhelming priority to preserve our fish stocks within safe biological limits and to consider sustainability in the overall context of the ecosystem. That means examining the effects on the habitat and the other species in the waters from which particular species of fish are taken. Therefore, the view expressed by Commissioner Damanaki, rejecting the old belief that environmental conservation and development of fisheries are incompatible, is welcome. The EU Commission's statement of 11 November makes it clear that only 40% of assessed EU fishing stocks have been fished sustainably, so we have an important issue to tackle in that respect.

The UN's Food and Agriculture Organisation reports that almost 28% of global stocks of fish are overexploited or depleted, with another 52% fully exploited. The World Bank has estimated that the annual cost of global overfishing is about $50 billion per year; cumulatively, that amounts to $2 trillion during the last three decades.

The Commission has proposed that the level of total allowable catches and quotas for 2011 will amount to a 10% reduction overall. Some 80% of global fish stocks are at or beyond the limit of sustainable use; many are beyond that limit. The challenge for the EU is to reduce structural overcapacity in fishing, yet incentivise those fishing fleets that are doing the right thing. Such fleets have invested in new nets and new technology and have adopted new fishing practices, as has been demonstrated by the industry in Scotland and beyond and which has rightly been praised by hon. Members today.

In 1995, the EU imported 33% of the fish consumed in Europe. In 2006, importation levels increased to 48% and are now at approximately 50%. Dr Peter Jones, a senior lecturer in the geography department at University college London, addressed a Westminster food and nutrition forum last month that I chaired. He said:

"We are importing more and more fish from developing countries, and that proportion is likely to increase if we see further quota reductions and perhaps the introduction of Marine Protected Areas into European waters, at least in the short term."

A crucial element here is the future of small-scale fishing, as we heard from the hon. Member for Richmond Park (Zac Goldsmith) in an intervention and from the hon. Members for Waveney and for Totnes. The 2027 vision paper published by the previous Government in 2007 supported the wider economic, social and environmental benefits of small-scale fishing. A key issue if it is to thrive is improved accessibility to capital, particularly where short-term quotas are involved.

Sheryll Murray: Will the hon. Gentleman confirm why, under his party's watch, the amount of quota allocated to the under-10-metre fleet was underestimated by about three-quarters? That is what caused the problem with the quota management for that sector of the fleet.

Mr Bain: The hon. Lady details an important point. I certainly take it on board in terms of the formation of policy within my party's processes, and I am sure that the Minister will have taken great note of it, too.

It is important to illustrate the further assistance that Commissioner Damanaki has provided. In an address to the Environment, Public Health and Food Safety Committee of the European Parliament on 29 September this year, she said that small-scale fisheries

"often contribute to a vital extent to the social fabric and economic well-being of our coastal communities. Small scale vessels often carry out fishing activities that are less harmful to the environment and often more selective than other parts of the fleet. For me it is therefore absolutely important to ensure that these coastal fleets do not lose out in the reform."

Another important point to be emphasised on CFP reform is greater regionalisation. That will involve integrating fisheries policy with other marine policy. Mike Park, executive chairman of the Scottish White Fish Producer's Association, said at the Westminster food and nutrition forum in November:

"Part of the problem we have had is the fact that it has been top-down…it has been prescriptive. The best way to resolve that is to actually incorporate fishermen into the system, allow fishermen to take part, build that policy from the bottom upwards, only then will you gain respect, and if you relate it back to the terms of what business does best, fishermen will then…help create policies that actually deliver a sensible, sustainable regime."

Those are wise words indeed. Commissioner Damanaki echoed that view in her address to the Environment, Public Health and Food Safety Committee of the European Parliament to which I referred earlier. One mechanism that the Council could consider is setting targets at EU

[Mr Bain]

level, but then permitting the technical details of how these outcomes are to be decided and implemented at the local or regional level.

In addition, the Council needs to build upon the incentives introduced last December to cut the level of discard and by-catch by permitting fishermen who install CCTV on their boats, and use the excellent techniques that the hon. Member for Strangford said were being utilised in Northern Ireland fisheries, to receive increased quotas. In the Scottish fishing industry, trialling systems have been established incorporating cameras and data reporting as a means of basing enforcement on levels of fish removed from the sea, rather than on levels of fish landed. It is important because by-catch can have damaging effects on the marine environment as a whole.

At a global level too, marine conservation is an important concern for policy makers. The GLOBE International Commission on Land Use Change and Ecosystems produced a marine ecosystems recovery strategy in June, which starts from the principle that marine conservation requires a globally co-ordinated response, with action needed at all political levels, including a review of fishing subsidies at World Trade Organisation level. It recommends:

> "Within national and regional parliaments where fishing rights are held in common, measures are needed to address fleet efficiency and to ensure that the management of domestic fisheries is governed by a sustainable, ecosystem-based approach.
>
> The largest importers of fish must also pass robust regulations to eradicate illegal fish from the market and promote sustainable sourcing.
>
> Regional cooperation is needed between key port and coastal states in order to ensure there are no safe havens for illegal fishing."

Some of the specific ideas mentioned in the strategy include rights-based management, where fishing rights are allocated to individuals or communities, on either a transferable or non-transferable basis, which create incentives for resource conservation and economically efficient fishing, but pay particular attention to local communities. It also mentions cap and restore programmes for severely depleted fisheries, which involve a temporary moratorium on or drastic reduction in fishing effort and catches to allow fish stocks to recover, while paying compensation to fishermen either to leave the industry or to work in scientific assessment and enforcement activities. The EU could consider those issues as part of CFP reform.

Let me conclude by asking the Minister a couple of short questions. The first is on the hugely important issue of the dispute involving the UK, Iceland and the Faroe Islands over the shared mackerel quotas, as my hon. Friend the Member for Rutherglen and Hamilton West and the hon. Member for Banff and Buchan mentioned. The Minister will recall that he told me in a written answer on 23 November that further talks between the coastal states would take place on 25 and 26 November. What progress has emerged from that meeting about the unacceptable behaviour of the Icelandic fleet in unilaterally seeking to increase its share of the quotas? What are the priorities of the Government for reform of the CFP in 2012 and, in particular, which measures will they propose to tackle the problems of discard and the structural overcapacity of the EU fishing fleet, while protecting vulnerable fishing communities in the UK?

All Members, including Opposition Members, wish the Minister well in his negotiations in the Council. Will he pledge to make a statement to the House before it rises on 21 December on the outcome of the December Council, so that Members have an opportunity to scrutinise effectively how the Government have progressed in the areas that Members have outlined in this debate?

This is a time for EU member states, collectively, to grasp the nettle of thoroughgoing reform of the CFP. That is strongly supported by the Opposition. I hope that in replying to this debate the Minister can demonstrate that it is a key priority of the Government as well.

5.4 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): It is a great pleasure to serve under your chairmanship today, Mr Owen. I pay tribute to the hon. Member for Banff and Buchan (Dr Whiteford) for securing this debate. She spoke for everyone here when she said that this debate should take place on the Floor of the House in future so that we can give this subject the forum it deserves.

This is an important time for the industry, and I want to put the fishermen themselves at the heart of our considerations. I pay tribute to those who have lost their life or been injured in this dangerous profession. Fishermen work off a dangerous platform in a dangerous place, and too many pay the price for that. Bereaved families and many other parts of the fishing industry are wonderfully supported by organisations such as the Seamen's Mission and the Royal National Mission to Deep Sea Fishermen. I echo other hon. Members in paying tribute to them and to organisations such as the RNLI and the coastguard for their bravery and courage and for serving our marine environment so well.

We tend to approach this debate with a sense of groundhog day, as we trawl through the same old arguments. There is a general ennui or depression about the way in which we manage the system, but there are glimmers of hope here and there. What I have detected in my time, both as spokesman for my party when in opposition and as Minister, is that there are some reasons to be cheerful, I intend to put all my effort behind those chinks of light to make them wider and clearer as we progress in the months ahead.

We face a very difficult time; let us not pretend otherwise. If I am asked to present in a sentence my vision for this industry and for the marine environment, I would say that we take an ecosystems-based approach, which was referred to in the GLOBE document. Such an approach has sustainability at its heart—sustainability of the marine environment and the ecosystems that we need and value and from which we get so many services, and sustainability for the industry, and the communities that it supports. Members from all parts of the House have spoken movingly about communities in their constituencies which are dependent not just on the, sadly, too few jobs, but the families, the processing industry and all its supporting infrastructure.

When I visited the constituency of my hon. Friend the Member for South East Cornwall (Sheryll Murray)—it was the first place that I visited when I was appointed as

shadow spokesman—I saw an industry that was surviving. It has had its moments and difficulties, but it has the support of a fish market, merchants, chandlers and many others. If one of them were to go, how viable would be the remainder? That is something that I frequently find as I go round the coast of Britain.

As we embark on the next few weeks, with the December Council and CFP reform, I have to say that I am supported well in this difficult job by some very able officials, who have so much more experience than I of this sometimes Kafkaesque process. There is a great sense of unity across the devolved Governments. If people want an example of cross-party co-operation, they need look no further. We have a Minister from a Conservative-Liberal Democrat coalition Government working with a Minister from the Scottish National party in Scotland, a Sinn Fein Minister in Northern Ireland, and a Labour Minister in Wales. I am determined that we should approach this round with a sense of unity, because it is only by working together and being on the same page that we can achieve what we need to achieve. I am grateful to all of them and to their respective officials for their support.

I will rattle through some of points that were made and try to respond to them in the time remaining. The hon. Member for Banff and Buchan led the way in calling for regionalisation and an end to the top-down management of our fisheries and the common fisheries policy. She finds a ready and supportive audience in me. Earlier this week, I was at the Agriculture and Fisheries Council. In a discussion between all the Ministers and the commissioner, everyone who spoke mentioned the need for regionalisation and an end to the current centralised system. In the same way, people often talk positively about long-term management plans, but the proof of what is said lies in what is done, particularly with the current reform process. I sense that among some of our European partners there is, to quote Hilaire Belloc, a desperate desire to

"always keep a-hold of Nurse

For fear of finding something worse."

I do not think that anything can be worse than what we have now. We must have a decentralised system, and that is what I will be leading on in the reform process.

The hon. Lady represents the two important ports of Peterhead and Fraserburgh, and my two visits to her constituency have proved to me the importance of the fishing industry there. I value the clear way in which I was briefed about her fishing interests, and she was right—as were other hon. Members—to point out the affront of discards. Discards are first and foremost an affront to fishermen, and they are increasingly an affront to the public and the consumer. I was recently interviewed at Billingsgate market by Hugh Fearnley-Whittingstall, whom I congratulate on leading an important campaign to raise awareness of this issue. His questions surprised me, as he seemed to think that I would somehow be a Minister in a suit who would try to defend the status quo. He was surprised that I out-outraged him with my hyperbole and my opposition to discards.

We must look at where we can succeed. Some schemes have been mentioned today; the hon. Lady mentioned catch quotas, and others have spoken about Project 50%. My hon. Friend the Member for Totnes (Dr Wollaston) raised that issue, and on three occasions, I have heard the commissioner quote it as a shining example of what can be achieved. I intend to build on those important points.

Zac Goldsmith: How realistic is it to say that we will move to a system of catch quotas? I have no doubt that the Government are committed to dealing with that problem, but realistically, how likely is it that we will see a change in policy?

Richard Benyon: I forget the figures for the English fleet, but in Scotland, there are 17 vessels in a catch quota system. That represents about 20% of that fleet—perhaps not; I cannot remember the exact figure. At the moment, that system is a trial. We tried to persuade the Commission—and we will continue to try—that we must move beyond a trial. We want to get every vessel possible into a catch quota system because, for reasons that I will mention, that is the solution. Fishermen are incentivised to do something that gives them more fish, ends discards and is a bottom-up approach. It makes fishermen part of the solution, and instead of being the battered person at the end of the line being hit by a stick, they are given a carrot to find a solution. I will go on to talk about mackerel, which was mentioned by the hon. Member for Banff and Buchan and others.

My hon. Friend the Member for Argyll and Bute (Mr Reid) echoed the point about decentralisation and I know the importance of nephrops to his constituency and the difficulties that are faced there. He rightly mentioned the difficulties of displacement. When we create a management regime that results in less activity in one area, there is a displacement effect. Too often, we have seen the malign effect of displacement round our coastline, and he is right to raise that issue. However, he sensibly discussed the world in which we live. I would love to debate how we got to this point, but that would be a waste both of my time and of the House's. We should put all our energy into working with a system that we think we might be able to change. For the first time in my adult life and in the experience of people who have been in the House for many fisheries debates, we find the door open to a level of reform that we must try to achieve. I recognise that that is important.

The hon. Member for Aberdeen North (Mr Doran) is an able chairman of the all-party group, which benefits from his knowledge of, and passion for, the subject. He rightly pointed out the importance of the processing industry. We must remember the jobs at stake and the importance to our food security of keeping the infrastructure that we require on land to support the jobs that we are discussing and get the product to market that our fishermen bring ashore. I think that he is rather depressed about the prospects for CFP reform. That probably comes from years of experience, but I hope that we can work with him.

Andrew Percy (Brigg and Goole) (Con): My neighbour and hon. Friend the Member for Cleethorpes (Martin Vickers) and I have been in and out of meetings and have not been able to contribute to this debate, but I emphasise that the processing industry is incredibly important to us also. It plays a significant role in the Humber region. Things are all interlinked. It is a huge issue for us also.

Richard Benyon: My hon. Friend is right to raise that point. I am meeting and working with the Food and Drink Federation to ensure that we have a strategy that supports that industry, and I am going with the FDF to see some fish processing companies near his constituency to ensure that we are integrating the needs of the processing industry into our policies.

The hon. Member for Aberdeen North was positive about other aspects. He was right to point out the GLOBE report, which I value. I appreciate his good wishes at a difficult time. People have been commiserating with me on my job, but I am thoroughly enjoying it. Hon. Members sometimes say nice things about me, which is probably a kiss of death in this place, but the issue is not really about anyone in the House; it is about our marine environment and the jobs of people who do dangerous work out at sea. As we go into the December round, I am conscious that a lot of people will be looking on with great fear and trepidation for their futures. It is a great responsibility, but I take it on readily.

Many hon. Members raised marine conservation zones. Several, including my hon. Friend the Member for South East Cornwall, said that fishermen are sceptical and suspicious of the process. Yes, they are, but the point is this. Fishermen come to my office and meet me as I go around the country, saying, "We're concerned about this." People from green non-governmental organisations say, "The system is too much in favour of socio-economic activities." The fact that both groups have those concerns means that we may be getting it just about right. However, I assure the House absolutely that I want to ensure that at every stage, we have a balanced approach and that people have access. The good thing about today's debate is the feeling that the argument that conservation is on one side and fishermen and socio-economic activities are on the other is weak and old-fashioned. If we can get this right—the projects, although they have not been without difficulties, are proving that we can—it will be to everybody's advantage. I reassure my hon. Friend the Member for South East Cornwall and everybody who has raised the issue that at every stage right up until designation, we will ensure that everybody has access to the process.

We must remember that when we discuss management of marine conservation zones, we might be trying to manage the sea bed, in which case activities higher up the water column might be perfectly permissible, or we might be trying to protect features at the surface, such as bird life or harbour porpoises, in which case activities on the sea bed might be perfectly permissible. It is a question of working through the suspicion that my hon. Friend mentioned.

I intervened to address the point that my hon. Friend raised about hand-line mackerel. She has raised the issue with me before and is an assiduous campaigner on behalf of the fishing community in her constituency. She also mentioned dredged materials, a matter that is very relevant to Rame head. She has raised it with me before and it is currently under review. The point she makes is absolutely right: we have to get coherence, because that will bring credibility, and it is important that all parties link together to ensure that we have a credible system.

The hon. Member for Tynemouth (Mr Campbell) made important points about his fishing community in North Shields, which I have visited. I will seek to get the best possible deal for fishermen there and around the country, as we face one of the most historically difficult rounds that we have ever faced. He raised a specific point on whiting, which is important. I know that it is a valuable stock for fishermen in his part of the world, as elsewhere. On the "use it or lose it" rule, there is a lack of understanding about what goes on, because the science is underdeveloped and it is assumed that just because a stock is not being caught up to quota, it is not there. We know that in our seas that is not the case, and I intend to make that point clearly.

A number of Members mentioned the interpretation of the science. The Commission makes the point that we have to debate on the basis of sound science, which is absolutely right, and we do and we will. However, there is a different interpretation of science when we talk about maximum sustainable yields. Are we talking about a particular figure or a band of probabilities? I agree with those who say that Europe should set a parameter, an aspiration to move towards MSY and have a sustainable stock by a certain date, and then leave it to regional bodies or even very local bodies, for example in the case of inshore fisheries, to put into effect an overarching plan. That has to be the way forward. That is the way to use science wisely and apply it to what we actually find in our waters, and I am determined to do that.

My hon. Friend the Member for St Ives (Andrew George) has had to leave, so I will address his points directly to him. I do not have time to mention them in detail now, but I think that I can give him some assurance on his three main points. His point about the closure at Trevose Head is absolutely right. Real-time closures can be a good tool in conservation management, and they are fishermen-led. The fishermen I speak with want their sons and grandsons to carry on their profession in the future, and it is only by giving them the tools to make the conservation opportunities that they know are needed that we will get a better and more sustainable marine environment.

The hon. Member for Strangford (Jim Shannon) made an important point about nephrops in the Irish sea, which is a matter of particular concern to Northern Ireland's fishermen. I hope that we can come to some arrangement that gives them a sustainable future for at least the medium term until we see a recovery of that stock. I am working closely with the Department of Agriculture and Rural Development in Northern Ireland and others to ensure that we get the arguments across. It will be one of our priorities as we go into the December round. I take his point about cod and herring. He briefed me in a very focused way recently, and I can assure him that we will take those points forward. The weather is closing in, so I hope that he will be able to get home.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) spoke about the cluster of science excellence in his constituency. I have benefited from it, experienced it and met a number of scientists from Plymouth. I know how passionate they are about their work and will readily take up the invitations to visit Plymouth and see that work, which have come from several directions. He asked about Natural England and marine conservation zones. I can give him every assurance that I want to see proper systems through the marine conservation zone process, so I can give him

assurances on that and on recreational angling. I am an angler. I have been invited to fish for bass in his constituency, or nearby, by one of his constituents and I give him every assurance that I will try to represent the benefits of recreational angling throughout the process of marine conservation.

I am conscious of the time and I want to get on the points that were raised by the hon. Member for Glasgow North East (Mr Bain). First, I send him warm congratulations on his appointment as shadow Environment, Food and Rural Affairs Minister and I look forward to working with him. Long-term management plans are the future and I give him every assurance that I will work towards creating those plans. Of course, that means losing political control, to an extent, and there are some people who think that the December round is the way that it should be, because politicians are holding the quota and can distribute it, which I think gives them a sense of patronage. That sense of patronage is not an attitude that I share and I want to see Europe move away from the rather bizarre antics that we are about to enter into.

I am grateful to the hon. Gentleman for raising the issue of ocean acidification, which, in terms of our adaptation to climate change, is important. Regarding his question about mackerel, yes, we are being absolutely robust and I will be very happy to brief him in more detail on that issue.

On CFP reform, I have set out quite clearly our determination to work towards regionalisation and integration on a sea-basin basis, as well as integration of the industry. I have not had time to talk about the under-10s today, but I am determined to take forward a reform that sees those vessels getting a bigger slice of the action. However, I will do that in concert with the rest of the sector and I will try to rebuild trust in the industry. In the near future, I will announce some ideas that will be taken to consultation. At the centre of our CFP reform will be an end to discards and movement towards more catch quotas, and I am happy to keep the hon. Gentleman briefed at every stage. In conclusion, I offer him the pledge that we will be making a statement on the results of the December round.

There is much more that I would like to have said, but there is simply not time to give credit to everybody's contribution today.

5.27 pm

Dr Whiteford: In closing the debate, I thank you, Mr Owen, for your exemplary chairing. I thank all hon. Members who participated in proceedings and I especially thank the Minister for his contribution. The very wide range of issues that have been raised indicates just how important fishing is to those of us who represent coastal communities and they also reflect the diversity and complexity of the industry and its management regimes.

We all recognise that the Minister will have his work cut out in the next few weeks. I particularly welcome the emphasis that he is placing on sustainable communities and his commitment to continue to work closely with the Scottish Government and the other devolved Administrations. I have no doubt that he will have to endure a few sleepless nights when the EU talks roll into the wee small hours—as they always do—and he has my sympathy in that respect. However, I do not think that that is the way to manage the industry or our precious marine resources. I echo the comments of the hon. Members for Rutherglen and Hamilton West (Tom Greatrex) and for Glasgow North East (Mr Bain) in saying that we need to move towards longer-term management of our fisheries. I hope that the Minister will work with others across Europe to find a better way.

Among a number of salient points made by the hon. Member for Tynemouth (Mr Campbell) was the observation that the multi-year agreements reached with Norway represent a far better approach to managing our fishing industry. He and the hon. Member for Totnes (Dr Wollaston) made a plea that the "use it or lose it" quotas should not be automatically cut. That point is important, because automatically cutting those quotas reduces the scope for diversification and our future negotiating stance. The hon. Member for Strangford (Jim Shannon) ably highlighted the great danger of having a fishery that is dependent on only one stock.

I welcome the Minister's commitment to tackling the issue of discards and his backing for a roll-out of the catch quota scheme. I urge him to continue to hold his ground in the negotiations with Iceland and the Faroes. Above all, I urge him to bring the CFP, as we know it, to an end, and to fight for the livelihoods of our fishing communities and to defend our historic fishing industry. Until that happens, our industry will continue to languish and damage our marine environment unchecked.

I hope that the next time that we debate fisheries in this House it will be on the Floor of the House in Government time, and I wish the Minister every success as he fights the good fight for our industry in the next few weeks.

Question put and agreed to.

5.29 pm

Sitting adjourned.